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CONFIDENTIAL.

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PART III.

FURTHER CORRESPONDENCE

RESPECTING THE

AFFAIRS OF PERSIA.

July to September 1905.

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CONFIDENTIAL

Further Correspondence respecting the Affairs of Persia.

PART III.

No. 1.

Admiralty to Foreign Office.—(Received July 4.)

(Confidential.)

Sir,

Admiralty, July 1, 1905.

I AM commanded by my Lords Commissioners of the Admiralty to transmit herewith, for the information of the Marquess of Lansdowne, copy of a letter dated the 24th May from the Commander-in-chief on the East Indies Station, relative to the action to be taken by His Majesty's Government in the event of Russian encroachment in the Persian Gulf.

2. In view of the Minute of the Committee of Imperial Defence (No. 3 of the fifty-seventh Meeting, 16th November, 1904), in which it was directed that "if the Russian fleet occupied any port in the Persian Gulf, the attention of the Russian Government should be drawn to Lord Lansdowne's statement (5th May, 1903) "that we should resist, with all available means, the establishment by any foreign Power of a naval base in the Gulf; that our Ambassador should be withdrawn from St. Petersburg; and that a superior naval force should be concentrated at Bombay in readiness to deal with the situation," my Lords see no objection to the measures suggested by Vice-Admiral Atkinson-Willes, should the contingency arise, but are of opinion that the question cannot be considered as of a pressing nature at this juncture, the recent course of events in the Far East rendering it improbable that Russia will take any decisive action in the Persian Gulf at present.

3. Should Russian aggression render it at any time necessary to take the steps proposed by Vice-Admiral Atkinson-Willes, my Lords assume that the hoisting of the British flag at the places specified would in the circumstances be recognized as an act of territorial expansion, and would be accompanied by a Proclamation by His Majesty's Government to that effect.

4. My Lords will be glad to learn the views of Lord Lansdowne on the subject before replying to the Commander-in-chief.

I am, &c.
(Signed) C. I. THOMAS

Inclosure in No. 1.

Rear-Admiral Atkinson-Willes to Admiralty.

Sir,

"Hyacinth," at Colombo, May 24, 1905.

WITH reference to Admiralty letters of the 15th August, 1902, and the 20th April, 1903, relative to the action which the navy might be directed to take in the event of Russian encroachment in the Persian Gulf, be pleased to submit for the consideration

of the Lords Commissioners of the Admiralty, that, in the event of Russia hoisting her flag at Bunder Abbas, the naval Commander-in-chief shall have authority, after communicating with the Viceroy of India, to hoist the British flag at Kishm on the Island of Kishm, at Hormuz, at Henjam, where there is a telegraph station, and on Sheep Island, Khor Kawi, which is very suitable for a flying base: it is a good anchorage, large enough to hold the Atlantic fleet with its auxiliaries; it is easily defended, having two narrow entrances is well protected by the conformation of the land, and commands the adjacent Elphinstone inlet by sea.

It is not proposed that it shall be fortified, except temporarily, and this can easily be done.

Bassidore is mentioned in the above-quoted letters, but the approaches, except through Clarence Strait, which is over 60 miles long, are impossible for even a second class cruiser; it is quite a small craft place.

I have suggested that a wireless installation shall in war time be placed on Henjam Island, which is only 35 miles from Khor Kawi, and in this the Government of India have concurred. I may mention that a hill some 800 feet high hides Khor Kawi from the north. It will make an excellent war signal station, and commands the whole strait across to Henjam.

As regards temperature, the months of June, July, August, and September are exceedingly hot, but it is not so hot at Khor Kawi as at Bassidore, because the temperature of the sea water is 2 degrees lower. April is very cool and pleasant, October much less hot, and the other months chilly.

I have, &c.

(Signed) GEORGE L. ATKINSON-WILLES,
Rear-Admiral, Commander-in-chief.

No. 2.

Euphrates and Tigris Steam Navigation Company to Foreign Office.—(Received July 5.)

Sir, 3, Salter's Hall Court, Cannon Street, London, July 4, 1905.

I HAVE the honour to acknowledge the receipt of your letter of the 29th ultimo, with order on Messrs. Lloyd's Bank for 750*l.*, for which I thank you.

With reference to the postscript of your letter, I have the honour to point out that the deficit for 1904, viz., 2,503*l.*, should be compared with the deficit for 1902, viz., 2,543*l.* The year 1903 is not a fair comparison, because the embargo on the export of grain was removed during that year, while it was put on again for 1904. Thus for the half-year ending the 31st December, 1903, we carried 2,157 tons more downward cargo than for the same period of 1904, the increase being in grain. It is satisfactory that, with these big holes in our earnings to fill up, the deficit for the year 1904 should only have been 2,503*l.* as against 2,210*l.* for 1903.

At the same time the accounts bring into prominence certain facts which my Board trusts are fully realized by the Foreign Office. Were it not for the building of the Bakhtiyari road, the yearly loss on the working of the Karun service would be very considerable. In other words, the local resources of the Karun regions have been very little developed by the opening of that river to navigation; and our Company has to look to their transit trade via the Bakhtiyari for increase in its earnings and consequent lessening of the yearly deficit. This is in many respects a most unsatisfactory state of things, and one which, I venture to submit, ought to be brought before the Persian Government in terms more emphatic than heretofore.

The causes for the want of development of the Karun regions may be stated for all practical purposes as two in number. There is first the embargo on the export of grain. My Board ventures to doubt whether the Foreign Office fully realize that during the period 1895-1904 the Persian Government have prohibited the export of grain in eight of the ten years, and only permitted such export in two. Inasmuch as grain is the staple article produced by the country, this persistent refusal to allow us to export it almost amounts to a prohibition on our trade. We cannot see that the measure can be defended on economical grounds. Since the Karun was open to navigation it would be almost impossible for a famine to occur in the Karun regions. If the grain crops were short, prices for grain would rise, and grain would flow in from the great grain-growing districts of Mesopotamia as well as from India, being carried up by the steamers. The Persian Government have thought it well to ignore the altered state of things brought about by steam communication, and to put into force the

antiquated system of embargoes on export on the pretence that they are thereby benefiting the people of the country. As a matter of fact, in so far as the embargo prohibits them exporting their produce, the result of the action of the Government upon the inhabitants is their impoverishment. They sow less ground, being uncertain whether they will be allowed to sell the surplus, and the chance of famine is by this fact alone increased. The purchasing power of the native is also materially diminished, he having little or nothing except grain to give in exchange for other commodities.

The second factor is the obstructive policy pursued by the Persian Government. The trade of the Karun regions is not only paralyzed by the imposition of the embargo, but nothing is permitted to be done to improve the internal communications. The principal towns of Shushter and Dizful remain in much the same condition in 1905 as they were at the opening of the Karun navigation in 1889. We have presented a steamer to the Persian Government, and have been working her on the upper river; but we are still obliged to land her cargo on the mud bank of the river without shelter, we are still refused permission to construct a tramway into the town of Shushter, and all our efforts to come to arrangements with Persian subjects who have obtained concessions for such works are frustrated by the Persian Government. The consequence is that the works are never executed, or executed in such a manner as to be a burden upon rather than an advantage to trade.

In conclusion, Sir, I have to apologize for the length of this letter arising out of the point touched by your postscript. If the Persian Government could be induced to reverse the obstructive policy pursued in the Karun regions there could be little doubt that the resulting increase in the local trade when added to the existing increase in the through traffic over the Bakhtiyari road would very soon wipe off the yearly deficit on the working of the Karun service, which we much regret still to have to render.

I have, &c.

(Signed) FRANK BOTTOMLEY, *Secretary.*

No. 3.

India Office to Foreign Office.—(Received July 7.)

Sir,

India Office, July 5, 1905.

I AM directed by Mr. Secretary Brodrick to acknowledge the receipt of your letter of the 23rd June, forwarding a copy of a despatch from Sir A. Hardinge, inclosing a copy of the Agreement signed with the Mushir-ed-Dowleh respecting the Perso-Baluch frontier at Mirjawa, &c., and to acquaint you, for the information of the Marquess of Lansdowne, that Mr. Brodrick concurs in his Lordship's proposal to approve Sir A. Hardinge's action in the matter.

I am to add that, as will be seen from the Viceroy's telegram of the 22nd ultimo, the Government of India are not yet in a position to express their opinion on the precise terms of the Agreement.

I am, &c.

(Signed) A. GODLEY.

No. 4.

India Office to Foreign Office.—(Received July 7.)

Sir,

India Office, July 5, 1905.

WITH reference to Sir A. Hardinge's despatch No. 116 of the 24th May, and telegram No. 80 of the 23rd ultimo, on the subject of the Russian signallers on the Meshed-Seistan telegraph line, and of the equivalent concessions to be demanded by His Majesty's Government from the Persian Government, I am directed by Mr. Secretary Brodrick to inclose, for the information of the Marquess of Lansdowne, a copy of a telegram from the Government of India, dated the 22nd ultimo.

Mr. Brodrick is of opinion that the proposal of the Government of India to send one signaller each to Birjand and Turbat-i-Haidari is sufficient for the purpose, and he proposes, subject to Lord Lansdowne's concurrence, to approve it.

I am, &c.

(Signed) A. GODLEY.

Inclosure in No. 4.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

June 22, 1905.

TELEGRAPH signallers in Persia. Please refer to the letter of the 10th May from India Office to Foreign Office, and to the telegram of the 22nd idem from Sir A. Hardinge to Lord Lansdowne. We regard it as of the greatest importance that there should be no receding from the fulfilment of the warning given by Sir A. Hardinge to the Persian Government that concessions identical with those granted to Russians would be claimed by us. Therefore, while regretting necessity for such a step, we propose, subject to your approval, to depute two more English signallers for service on the Meshed-Nasratabad line, to be posted at Turbat and Birjand respectively. Men would be sent as soon as weather permits. Government of India, on their part, would prefer compensation in some other direction—e.g., the linking up of Robat with Nasratabad—but there seems little chance of securing this. We would withdraw signallers on northern section at any time in return for this concession.

I should be glad to be informed whether you approve of our proposal. Reference is invited in connection with the above to our despatch of the 11th May.

(Repeated to Tehran.)

No. 5.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 122. Confidential.)

My Lord,

Gulahek, June 2, 1905.

I HAVE the honour to report as follows with reference to my despatch No. 89 of the 18th April last, and to my telegram No. 71 of to-day's date respecting the settlement of the appointments to the Governments of Kain and Seistan.

Mohammed Ibrahim Khan, the heir and younger brother of the late Showket-ul-Mulk, has been given the Government of Kain, which the Hashmat-ul-Mulk had been on the point of obtaining, having presumably outbribed the latter, or perhaps satisfied the Ain-ed-Dowleh that his youth and inexperience would render him more amenable to control from Tehran. He has received the title of Showket-ul-Mulk, and, after paying his respects to the Shah and the Grand Vizier at the royal camp at Kerej, has left for Birjand. I did not see him during his visit to Tehran, but he called on Colonel Douglas with a letter of introduction from our native Agent at Birjand and intimated that he would be glad if he could be helped to raise a loan from the Imperial Bank of Persia. I should not be surprised to hear, though I have no proof of it, that he has in the meantime been financed by the Russian Bank, and, if so, he will probably carry on his predecessor's policy of leaning to Russia, although, as he is little more than a boy and has not much authority, it may be doubtful whether this will do us any great harm. He is, I believe, on friendly terms with our Birjand Agent, and I should think would be able to be influenced to some extent by him.

The Hashmat-ul-Mulk was offered, but refused, the Governorship of Seistan proper. When I first heard this a short time ago from the Mushir-ed-Dowleh, I was inclined to suspect that the Grand Vizier had played me false, as it seemed *a priori* unlikely that the Hashmat would prefer to remain away from his own country in practical exile at the capital. Your Lordship will, however, see from the inclosed account by Mr. Churchill of a visit which I instructed him to pay to the Hashmat-ul-Mulk that the Ain-ed-Dowleh kept his promise to me and reappointed the Hashmat to Seistan, but that the latter declined to return there. It is clear that he is bent on getting Kain, and prefers to stay for the present at Tehran in the hope that when the Shah comes back from Europe, he may succeed in achieving this object. In the meantime his son, Mir Maasum Khan, continues Deputy Governor of Seistan on his behalf.

From our point of view this solution of the question may be regarded as fairly satisfactory. We have successfully supported the Hashmat-ul-Mulk and have made it impossible for him to say that after the services, such as they were, which he rendered to British interests, we threw him over. We never made any point of his

getting Kain, and I merely suggested it as an alternative, which he himself said he would prefer to Seistan. If he now does not care to take Seistan, and would rather wait on here on the chance of obtaining Kain later on, that is his affair and not ours. By procuring him the offer of Seistan we have wiped out any debt we owed him, and may view future developments, as far as he himself is concerned, with comparative indifference.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 5.

Memorandum by Mr. Churchill.

THE Hashmat-ul-Mulk, on whom I called this afternoon, said that the Grand Vizier had offered to confirm him in the post of Governor of Seistan, but that as his half-brother, Mohammed Ibrahim Khan, had been appointed to Kain in succession to the late Showket-ul-Mulk, he had refused it and proposed to remain in Tehran until the Shah's return.

In answer to my inquiry as to the reason of his refusal he said that the Governorship of Seistan was not a post worth having and that he wanted Kain.

I told him that in your representations to the Persian Government on his behalf you had urged firstly that he should not be deprived of his post as Governor of Seistan and had suggested that if the Government objected to this that he should get Kain or some adjoining Governorship, and that your demand had therefore been satisfied. I added that you had heard with regret of his refusal to return to Seistan.

He seemed indifferent to the prospect of remaining at Tehran and showed little interest in the whole affair, remarking laconically that a certain priest who had interceded on his behalf with the Grand Vizier, had received 1,000 tomans from him, and that another had refunded 2,000 tomans and taken a larger sum from his half-brother, who was now on his way to Kain.

His object being to eventually obtain Kain and to reap a harvest of spoils from the estate of his deceased half-brother, the late Showket-ul-Mulk, and the Governorship of Seistan never having been actually out of his hands, whether he nominally refuses it or not, his son remaining there as Deputy Governor, there seems no reason why he should not wait on in Tehran in the hope of getting Mohammed Ibrahim Khan out when the Shah returns. Having received a substantial sum from Mohammed Ibrahim, the Grand Vizier may be inclined to take a similar "pishkesh" from the Hashmat in a few months' time and send him to Kain. In this way both brothers will have taken their share of the estate and both will have contributed to the Central Treasury.

June 1, 1905.

(Signed) G. P. CHURCHILL.

No. 6.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 123.)

My Lord,

Gulahek, June 6, 1905.

I HAVE the honour to transmit herewith, with reference to my despatch No. 115 of the 22nd ultimo, a copy of a further despatch from His Majesty's Acting Consul at Resht, on the subject of the Russian works at Kazian and Enzeli, and the irritation displayed by the Shah at discovering that Kazian has been practically turned into a Russian settlement.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 6.

Acting Consul Churchill to Sir A. Hardinge.

(No. 18.)

Sir,

Resht, June 1, 1905.

I HAVE the honour to report that considerable sensation has been created by the operations of the Russian Government officials who are engaged in constructing the port at Enzeli, and what I saw there last week convinced me that in the course of the next five years there will be little Persian authority to be seen there. I visited Enzeli a little over six weeks ago, and found no signs of activity in connection with the port, but on arriving there last week I was astounded to find that Kazian, from the sea to the customs-house, had become a Russian settlement covered with wooden constructions as well as some brick houses. A newly-imported steam dredger was conspicuous, as also was the large number of uniformed Russians and Moujiks.

I have received reliable and confirmed information to the effect that the Shah was extremely angry with what he saw, and it is stated that by order of His Majesty steps are being taken to limit Russian activity at Kazian, but I think it very doubtful that success can attend these belated efforts.

The Salar Afkham, who, as Governor of Enzeli, should, one would think, have acted differently, and the Nasser-es-Sultaneh have assisted the Russians by selling to them their land at Kazian, and there were reports among the Shah's suite, and in the bazaars at Enzeli, as well as in Resht, that the Shah had summoned the Sardar to Enzeli, and had fined the Salar 50,000 tomans, besides cancelling the sale of the land and ordering the Salar and Sardar to compensate the Russians. I was actually told on Sunday morning that the Sardar had arrived from Tehran, and was at that particular moment being stricken, and that the Shah had sent for the executioners.

The Russians expected that the Shah would visit Kazian, and a special car was prepared for his use, but His Majesty declined to inspect the works. These consist of only some 20 yards of wooden pileis driven into the sand in two parallel lines, between which stone and cement brought from Baku are to be laid. I do not think that this part of the work will proceed at all quickly, as the Russians are at present much more interested in their operations on shore, with a view to securing as much land as they can, and they well know that they can proceed with their two moles whenever they find it convenient to do so. I reported to your Excellency on the 17th ultimo that the Chief Engineer of the port, Sultanoff, had been recalled owing to irregularities, but I found him at Enzeli at the head of affairs, and was told that he had bribed the members of the Committee of inspection sent from St. Petersburg.

On leaving Enzeli I was told that the Shah had given orders forbidding the dredger to work between Kazian and Enzeli, but I am not certain of the correctness of this statement, about which I am making inquiries.

I have, &c.

(Signed) A. CHURCHILL.

No. 7.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 124. Confidential.)

My Lord,

Gulahek, June 6, 1905.

I HAVE the honour to transmit herewith, in continuation of my despatch No. 118 of the 27th ultimo, a copy of a despatch from His Majesty's Acting Consul at Resht respecting the proceedings of the Persian Court at Enzeli. Mr. Churchill's account of the strained relations existing between the Shah's suite and the Grand Vizier tallies with information received by my Russian colleague and from other informants by myself. One of the principal members of the suite, the Farrash Bashi Hajib-ed-Dowleh, had so violent a quarrel with his Highness that he has left the Royal party and returned to Tehran.

I mentioned in my despatch No. 99 of the 10th ultimo that negotiations were in progress for the management of the Royal tour by an agent of Messrs. Cook and Sons. I learn, however, that on the eve of the Shah's departure the arrangements on the point of being concluded with Messrs. Cook, in accordance with the advice of M. Naus and the Nasr-ul-Mulk, were cancelled. The Ain-ed-Dowleh told M. Naus quite

frankly that, whilst himself fully approving of these arrangements, he dared not sanction them, as the courtiers, once they felt that he had been the means of preventing them from robbing the Shah, would organize so powerful and united a cabal against him that he would be unable to maintain himself in office.

The Atabeg-i-Azam has started for a tour in America, so as to avoid paying his respects to the Shah in Europe, and thus appearing to be intriguing against the present Grand Vizier or putting himself forward as a rival.

The Shah reached Astara on the Russo-Persian frontier on the 4th instant, and was to cross into Russia to-day or yesterday.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 7.

Acting Consul Churchill to Sir A. Hardinge.

(No. 17.)

Sir,

Resht, May 31, 1905.

I HAD the honour to report telegraphically to your Excellency on the 20th instant the arrival of the Shah at Resht, and His Majesty's departure on the 22nd instant to Enzeli, where he remained till yesterday morning.

M. Olférew, the Acting Russian Consul, M. Harilaos Papadopoulos, the Turkish Consular Agent, and myself were present at Sangar when the Shah arrived. The Karguzar was with us, and we were introduced to His Majesty by the Mohandes-el-Mamalek. At the invitation of the Karguzar we proceeded yesterday morning to the residence of the Sadr Azam, whence, with the Mohitashem-es-Saltaneh, we took up a station near the palace in order to take leave of the Shah during his passage to his carriage. His Majesty appeared to me to be weak, and he leaned heavily on his stick. He seemed unable to hold himself erect, and his face bore a pained expression.

I received on the 23rd instant your telegram of the 22nd instant, instructing me to present your compliments and wishes for a pleasant journey to the Grand Vizier and to inquire after the Shah's and his own health. In accordance with these instructions I proceeded to Enzeli on the following day, and was received by the Ain-ed-Dowleh, to whom I communicated your Excellency's message, adding your congratulations for the Agdas decoration which the Shah bestowed upon him in the Mudirieh garden at Resht on the 21st instant.

His Highness desired me to thank you warmly on his behalf, and to say that, while he himself was suffering from the damp climate here, he was glad to say that the Shah was well. I telegraphed to your Excellency to this effect to-day.

The receipt of the news of the assassination of the Governor of Baku gave the Grand Vizier a pretext to renew his opposition to the journey, and he was assisted by the Arfa-ed-Dowleh, who sent alarming reports from Baku. These efforts were however, as unavailing as the previous ones, but I believe the Shah is not quite at ease respecting the Russian portion of his journey. His Majesty yesterday morning said that his residence at Enzeli had been very pleasant, and that "Inshallah" his journey through Russia would also be pleasant. His tone in saying this seemed to me (as well as to some other persons) to be that of a man on the point of taking a big risk in the hope of obtaining something he had set his mind upon, and I noted at the same time that His Majesty used the word "Russia" instead of "Europe," a fact which gave me the impression that he thinks he will be right enough if he arrives safely at the Austrian frontier, but is not quite certain of what is to happen before.

I have heard that the Ain-ed-Dowleh has become even more unpopular with the Court than before, owing to his pompous ways, which have not been relaxed on the journey, and to his very careful supervision of accounts, and that the Vasir Darbar is daily increasing his influence. The Nassir-el-Mulk is keeping in the background, feeling his way, as he is not well acquainted with the Grand Vizier. His Excellency, with the Amin-ed-Dowleh, the Ala-el-Mulk, and other members of the suite who are not travelling to Baku with the Shah will leave on Sunday next on board the warship which conveyed the Khazen Agdas to Krasnovodsk last week on her way to Meshed.

I have, &c.

(Signed) A. CHURCHILL.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 125. Confidential.)

My Lord,

Tehran, June 10, 1905

A PERSON who is in constant intercourse with the Valiahd confirms the impression derived by me from the reports of Mr. Wratislaw and other independent sources, that His Imperial Highness is completely under Russian influence. He mentioned as an instance of this that, when he spoke to the Prince of the recent Russian disasters in the Far East, His Imperial Highness observed that he knew better, that the Cossack Colonel had told him that a Russian army of 400,000 men was now on its way to the front, which would wipe out the Japanese, that Russia had millions of soldiers, and that no Power or coalition could in the end successfully resist her. In his conviction of Russian invincibility the Valiahd, my friend proceeded, lavished every conceivable favour and attention on the officers of the Cossack Brigade, and at a recent inspection, at which he was welcomed by them with an ovation never yet accorded to the Shah himself, received their reports in the Russian language. He is extremely proud of his proficiency in Russian, and, on photographs which he has given to Europeans, signs his name in Russian characters.

Questioned as to the Valiahd's feelings towards Great Britain, my informant said he thought they were inspired not so much by aversion as by absolute indifference and ignorance. He had once or twice spoken to His Imperial Highness of the importance of a good understanding between England and Persia, but his remarks had been met with a chilling silence. I may mention that, in the course of a recent private audience, I expressed to His Imperial Highness my gratification at the satisfactory conclusion of the Seistan Arbitration Commission. It was clear from the questions which he put to me that he had never heard of Seistan or of Persia's relations with Afghanistan or India, and as he seemed to take no interest whatever in them I did not pursue the subject further. I would add that, when I was at Tabreez last autumn, Mr. Churchill, during a visit which he paid to him, adverted, as a topic of conversation, to the progress of the war in Manchuria. The Valiahd had evidently been kept in almost total ignorance respecting it, and on being informed, in reply to his inquiry, of its main incidents received the information with an air of somewhat sceptical surprise. I should think it probable that his Russian teacher and French doctor, the only Europeans in his *entourage*, have taken good care that he should learn nothing which can shake his faith in Russian omnipotence.

His Imperial Highness' views on foreign politics would appear to be founded partly on a craven fear of the irresistible might of Russia, under whose shadow at Tabreez his whole life has been hitherto passed, and partly on a certain sympathy for the Russian type of civilization, the only aspect of European culture with which he has been brought in contact. This explains to some extent, though other causes no doubt contributed to it, the obstructive attitude displayed by him under the advice of the Russian Consular authorities in Azerbaijan in the matter of the Urumiah murders. A further knowledge and experience of affairs may modify his present temper, but unfortunately he is naturally very obstinate and self-confident, and it may therefore be difficult to eradicate these early convictions once he has formed and begun to act on them, more especially as in his position as Heir-Apparent few Persians will dare to disagree with any views which he may deign to express. I should certainly regard with some uneasiness his accession at the present juncture to the throne.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 126. Confidential.)

My Lord,

Gulahak, June 10, 1905.

I HAD the honour to receive by last messenger your Lordship's despatch No. 67 of the 26th April, inclosing a Report of the proceedings of the Committee of Imperial Defence on the subject of Persia, and of the remarks made by your Lordship and the Prime Minister respecting the various points discussed on that occasion.

I observe that your Lordship stated that with a view to putting an end of the chronic diplomatic contests at Tehran, overtures had been made to the Russian Government for the partition of Persia into spheres of influence, but that these suggestions had been declined.

I trust that I shall not be deemed officious, my opinion on this matter not having been invited, if I venture to submit that no agreement with Russia on the basis of a partition of Persia into "spheres of influence" is practicable—bearing in mind that such spheres in a decadent Eastern Kingdom tend to become, sooner or later, to all intents and purposes, protectorates—unless it provides for the inclusion within the Russian sphere of a portion of the coast of the Persian Gulf, a concession which all past British Governments have regarded as inconsistent with the vital interests of our Indian Empire. It may indeed be doubted whether Russia would regard as satisfactory any partition which finally excluded her from access to the Indian Ocean across Khorassan and Persian Baluchistan, though she might conceivably be satisfied, at least for a time, with the control of the coast line of Arabistan from Mohammerah to Bunder Dilam or Bushire, in return for an undertaking on our part not to use our paramountcy further east in order to fortify Ras Musandim or the opposite islands of Hormuz, Kishm, and Henjam. Her object being to reach the warm water, she can never willingly acquiesce in an arrangement which would definitely frustrate it, by substituting on the shores of the Persian Gulf the vigorous grasp of Great Britain for the weak and tottering authority of the Shah.

I have, however, always felt, since I have given my mind to the study of the affairs of this country, that an understanding with Russia about Persia resting on a different basis, though undoubtedly difficult, was not necessarily impossible of attainment.

The consistent policy of Russia in Persia has been gradually and imperceptibly to establish a "veiled protectorate," by subjugating it commercially and financially; isolating it as far as possible from all contact with foreign influences; appropriating its revenues as the security for political loans; preventing it from progressing or developing its resources, except through Russian agencies; and then, having reduced the Shah to a state of complete vassalage and impotence, to rule through him and in his name, by means of authoritative Russian advisers, from the Caspian Sea to the Gulf, and from the Turkish to the Indian frontiers. The loan contract of 1900, which made Russia the sole purveyor of money to a bankrupt, corrupt, and spendthrift Court, seemed to have brought her within measurable distance of this goal. There, was, of course, always a slight danger that the Shah might resent the process described above, but in this event she could always count on bringing him into line by a stoppage of supplies, whilst her grip on Khorassan and Azerbaijan, and her power of raising troubles in those provinces as a pretext for intervention, were unfailing means of successful intimidation. There was, and is still, the greater danger that the Persian priesthood and people might attempt to rebel against the alienation of the national revenues and practical sale of the country merely to minister to the amusements of a worthless Prince, but in that case there seemed every probability that an armed interposition by Russia to support the Kajar dynasty, as we supported that of Mohammed Ali at Cairo, would secure to her as effective a control over Persia as Great Britain now possesses over Egypt.

The one obstacle to the realization of this programme was the possible opposition of Great Britain, but M. Vlassoff, my late Russian colleague, who discussed Persian affairs very freely with me, used to say that the advocates of the Russian forward policy in the Middle East placed all their hopes in the event of a Liberal Government in England, and could continue to play a waiting-but-steady game till that event, which was certain, sooner or later, to come about, nor was I ever able to convince him that on questions of Imperial, and especially Indian, interests the leaders of both our great Parties were now agreed.

It may, however, be assumed that the Russian Government now recognizes that it will not be allowed by us to have its way in Persia, and that the advances which we have made, and can continue in various ways to make, to the Shah through his State bank, have broken the back of the financial monopoly and control, with all its far-reaching results, which Russia fancied her loan contracts had given her. Further, that the decision come to by His Majesty's Government to meet any military move which she may make in northern Persia by a corresponding countermove in south and east precludes a repetition by England of the rôle played by France during the Arabi rebellion, should Royal extravagance and national insolvency, combined with internal misgovernment and foreign interference in the administration of the

revenues, produce the same consequences in Persia as in Egypt, and culminate in a fanatical revolt.

It appears to me, therefore, within the bounds of possibility that once the conflict in the Far East is over, leaving Russia, as it must, materially weakened for many years, a recognition of the above facts may induce a reconsideration of her Persian policy on the lines of some attempt at a provisional understanding with Great Britain, such as that foreshadowed in your Lordship's conversations with Count Benckendorff during the period which immediately preceded the outbreak of the Japanese war. Russia would not, of course, finally renounce her aspirations with respect to the Persian Gulf; she would continue to cherish a hope that altered circumstances and, perhaps, a readjustment of the political forces in Asia, due to the entry on the scene of Japan as a Great Power, and to the awakening of the Mongolian world, might, in the course of the present century, modify British policy and remould British views on this subject. She would merely recognize that the realization of her aims in the Persian Gulf, like that of her views on Constantinople, must be for the present deferred, and would desist from aggressive steps such as the establishment of Consulates, political banks, and subsidized steamer services in Southern Persia for the purpose of hastening their accomplishment. It might be possible to make her see that, if the Shah is allowed to drift on into total bankruptcy by playing on the jealousies of his neighbours, and spending political loans advanced first by one and then the other, a crisis must before long supervene, perhaps before she herself is ready for it, which may necessitate active foreign intervention, or at least a discussion, however unwelcome to her, as to the future of Persia with Great Britain, and that the more prudent course, even from the point of view of Russian interests, would be that the British and Russian Governments should come beforehand to some arrangement, like the Austro-Russian understanding respecting the Balkans, for preventing a cataclysm in this country. In other words, that both Governments, convinced that a collapse of the Persian Monarchy from internal weakness is, under present circumstances, undesirable, and a forced partition of Persia even more so, should agree to co-operate, as Austria and Russia have done in the case of European Turkey, for the provisional but effectual preservation of the Shah's Empire as a neutral State in which both have equal interests. To this end it would be necessary that both should agree on a simple programme of elementary reforms in the internal constitution of Persia, and should unite to impose the application of this antiseptic treatment, whether the latter liked it or not, on the Persian Government.

It would be beyond the scope of this despatch, which deals only with general principles, to examine the various measures for the reorganization of the Persian finances, army, and administration of justice, which such a programme ought to include, and which would undoubtedly present many practical, but not necessarily insuperable, difficulties. I merely submit that the only alternative to the continuation by the two Powers of a policy of constant rivalry, which must sooner or later precipitate an acute crisis in Persia, leading either to war or to a division into spheres of influence, is an agreement between them on the lines of the Mürzsteg understanding, having for its immediate object the postponement by common action of such a crisis. The basis of the agreement would be, I need hardly say, not any partition of Persian territory into opposite spheres of influence, in which Russia could not acquiesce without abandoning her aspirations as regards the Gulf, but a partition of influence and control at Tehran for the purpose of arresting the further decomposition of Persia, and thus deferring her otherwise inevitable break up, and, as its consequence, the final cutting off of Russia, unless she is prepared to fight England for it, from access to the shores of the Gulf and Indian seas.

I would again express the hope that, in indicating my views on this important subject, I shall not appear to have exceeded the limits of my province by presuming to volunteer uninvited opinions with respect to larger issues lying, strictly speaking, beyond it. My excuse, if I have done so, must be that British officers in Persia and Central Asia are often brought into contact with cruder and franker expressions of Russian views and aspirations than those formulated by the cautious and conciliatory statesmen who serve as the mouth-pieces of Russian policy in London and St. Petersburg. At the latter Courts the European, here in Asia the Tartar, head and beak of the Russian double eagle are most plainly visible, and it may not be amiss that, as His Majesty's Representative in Persia, I should, even without instructions to do so, lay before your Lordship what I believe to be the only principles on which an understanding with Russia as regards our common interests in the Middle East is feasible.

I would repeat that I do not regard such an understanding as by any means easy, but I am not certain, in view of recent results, of the forward policy of Russia in Manchuria and of the lesson which those results must have taught that it need be dismissed *à priori* as inherently impossible.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 10.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 127. Confidential.)

My Lord,

Gulahek, June 10, 1905.

I HAVE the honour to report, with reference to my despatch No. 116 of the 24th May, that I directed Abbas Kuli Khan to ask the Mushir-ed-Dowleh a few days ago if his Excellency had received any reply from the Shah's camp to my inquiries as to the Russian telegraphists in Khorassan and Seistan, and the new line from Kuchan to Bajgiran.

The Mushir gave him, in strict confidence, the inclosed decypher of a telegram from the Grand Vizier, which his Excellency agreed with him, speaking privately, in regarding as evasive and unsatisfactory, and as tending to throw upon himself the entire responsibility of answering my questions.

On receipt of this communication I addressed to the Mushir-ed-Dowleh the note of which I have the honour to inclose a copy, and which his Excellency told me this afternoon he was sending to his Highness the Ain-ed-Dowleh. The Mushir added, on my pressing him further, that permission had been given for the construction of a telegraph line from Kuchan to the Transcaspian frontier, and admitted, as a personal opinion of his own, that under these circumstances I was entitled to demand the corresponding connection of Seistan with Kuh-i-malik Siah.

I am inclined to infer, from indications which have reached me, that the surrender of the Shah was prompted, not merely by the promise of a cordial reception in Russia, but by an intimation on the part of the Russian Minister that a compromise on this question would facilitate the advance of 100,000*l.*, for which, as your Lordship is aware, the Persian Government applied to the Russian Bank after the unfortunate failure of its negotiations with the Imperial Bank of Persia for a discount of the latter's royalties.

I am awaiting the decision of the Government of India as to the number of English employes which it proposes to station along the Meshed-Seistan line, in accordance with the right which I have claimed for it.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 10.

Sadr Azam to Mushir-ed-Dowleh.—(Communicated confidentially to His Majesty's Minister by the Mushir-ed-Dowleh.)

(Telegraphic.)

May 30, 1905.

I HAVE communicated to His Imperial Majesty your Excellency's telegram respecting the note addressed to you by the British Legation about the Russian telegraphists and mechanics, and the Meshed-Transcaspian telegraph line. His Majesty's statements are as follows:—

1. We have not understood the expression "telegraphists have been allowed free (full) access to the Persian offices." What is the meaning of "free"? If a Russian telegraphist has gone to an office to communicate messages, is it to be called "free" access, or do they mean something else? The expression in question requires explanation.

2. Your Excellency is well acquainted with both matters, and you will give suitable replies. If the matter is otherwise, you should put the case fully before His Imperial Majesty in writing, as by telegraph it cannot be sufficient. Then a satisfactory reply will be sent to you.

The above is His Imperial Majesty's command, which I have communicated to you.

Inclosure 2 in No. 10.

Sir A. Hardinge to the Mushir-ed-Dowleh.

Your Excellency,

Gulahak, June 8, 1905.

WITH reference to my note of the 21st May last, Abbas Kuli Khan informs me that on inquiring from you yesterday whether you had received any reply from the Grand Vizier respecting it, you observed that his Highness desired further explanations as to the precise meaning of the term "free access" employed by me.

In reply, I am to state that I am informed that orders have been given by the Persian Government to its telegraph officials in Khorassan and Seistan to permit the Russian telegraphists, whom they hitherto would not allow to transmit messages except at Turbet-i-Hayderi and Nasratabad, to work the instruments at all the stations from Meshed to Seistan; that the Russian engineers and workmen are to be allowed to repair the posts and wires; and that, in a word, the working and control of this important line, running parallel with the Afghan frontier to the gate of India, has, in spite of repeated declarations made to me by your Excellency, been practically placed in the hands of a Russian telegraphic staff.

It is plain from the Grand Vizier's message to your Excellency that his Highness does not deny this. No one ever objected to a Russian telegraphist going to an office like any other private person and handing in a message. What is objected to is the access to the instruments and the performance of regular telegraphic work in the offices of a purely Persian line by a large staff of foreign telegraphists. There are at least thirteen such Russian telegraphists and engineers in the Province of Khorassan.

Your Excellency's assurance that whatever rights may be given to Russian telegraphists on the Seistan line will also be given to English ones is merely another way of saying that the equality of rights which we enjoy with Russia by Treaty in this country, and which the Persian Government could not, without displaying deliberate unfriendliness, refuse to us, will be respected; and I fear it will hardly efface the impression likely to be created in London by this last concession, and by the further announcement, which the Grand Vizier does not deny, that the Russian demand for the telegraphic connection of Kuchan with the Transcaspian frontier has been complied with.

It is difficult to see how the Persian Government can, after according these concessions, both in Seistan and in Khorassan, to the Russian Government, continue to refuse us the extension for which I was instructed to press of the telegraph line from Seistan to the Indian frontier at Kuh-i-Malek Shah, and which I persuaded His Majesty's Government to drop out of deference to the Grand Vizier's wishes, on the ground alleged by his Highness that such a concession to us would lead the Russian Legation to insist on some equivalent in that province. I venture, therefore, to hope that your Excellency may be authorized by the Grand Vizier to discuss with me an agreement with this object at an early date, so that the work may, if possible, be commenced this cold weather.

I have, &c.
(Signed) ARTHUR H. HARDINGE

No. 11.

Sir A. Hardinge to the Marquess of Lansdowne. (Received July 8.)

(No. 128.)

My Lord,

Gulahak, June 11, 1905.

I HAVE the honour to transmit, with reference to my despatch No. 124 of the 6th instant, copies of further despatches from His Majesty's Acting Consul at Resht, reporting the Shah's arrival at Russian Astara, and the reception there by the Russians and Persians of the news of the destruction of Admiral Rojdestvensky's fleet.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 11.

Acting Consul Churchill to Sir A. Hardinge.

(No. 19. Confidential.)

Sir,

Resht, June 7, 1905.

I HAVE the honour to report, in continuation of my despatch No. 17 of the 31st ultimo, that the Shah has arrived safely at Astara after a pleasant journey from Enzeli, and that the Nasser-el-Mulk, Amin-ed-Dowleh, Movassagh-ed-Dowleh, Ala-el-Mulk, and Mohandes-el-Memalek left Enzeli yesterday for Baku on board a Russian man-of-war. These members of the suite should, according to the original arrangement, have left on Sunday, the 4th instant, and the cruiser "Cherkess" called at Enzeli on that day to embark them, but, as they were on the point of boarding the war-ship, telegrams were received from the Sadr Azam, desiring them to postpone their departure until yesterday, a circumstance which appears to have given rise to rumours as to a hitch in the journey, which have, however, proved to be baseless.

I am informed that the scene when the Shah was on the point of crossing over from Persian to Russian Astara was very affecting. His Majesty embraced the Azad-es-Sultan, and addressed the others present in affectionate words which produced an outburst of tears on the part of all present.

The members of the suite seem to apprehend that the ignorance and dislike of the Sadr Azam to European ways will cause them unpleasantness. The Ain-ed-Dowleh commenced at Enzeli with the Ala-el-Mulk, who, having appeared before his Highness in European attire, was told to return to Persian costume, which he did forthwith. The Sadr Azam further announced that the national costume would be adhered to in Europe, and I gather that if he does not become less narrow-minded and more affable, the Atabeg, who is now staying in the Grand Hotel in Paris, will have a very strong party at Court.

I have, &c.
(Signed) ALFRED CHURCHILL.

Inclosure 2 in No. 11.

Acting Consul Churchill to Sir A. Hardinge.

(No. 20.)

Sir,

Resht, June 7, 1905.

I HAVE the honour to report that considerable sensation has been caused, both at Resht and Enzeli, by the great Japanese victory, news of which reached me on the 30th ultimo, and which I communicated to the Nasser-el-Mulk at Enzeli at once.

I have received a letter from Dr. Lindley, telling me that the Russians at Astara "swaggered about," trying to laugh off their crushing defeat, but were laughed at by the Persians.

I have, &c.
(Signed) ALFRED CHURCHILL.

No. 12.

Sir A. Hardinge to the Marquess of Lansdowne. (Received July 8.)

(No. 130.)

My Lord,

Tehran, June 13, 1905.

I HAVE the honour to transmit herewith, in continuation of my despatch No. 106 of the 17th ultimo, copy of a despatch from His Majesty's Consul-General at Tabreez on the subject of a suggestion which he made to me some time ago that he should proceed to Urumiah and endeavour to make peace between the Christians and the Kurds in that district. The Rev. O. Parry, the Archbishop of Canterbury's representative at Urumiah, was, as your Lordship will observe, opposed to this idea, believing that nothing short of the exemplary chastisement of the Kurds would restore the security of the missionaries and their flocks, but the American clergy were less uncompromising, and my United States' colleague was inclined in principle, in view

of the inability or unwillingness of the Persian Government to proceed to extremities against the Chiefs of Dasht, to favour this solution on opportunist grounds, provided his own Government, to whom he submitted it, approved.

The State Department at Washington, however, took a different view, and instructed the American Minister to insist on the arrest and punishment of all the Kurds accessory to the murder of the late Mr. Labaree, in accordance with the pledges given by the Persian Government in January last. Mr. Pearson is therefore pressing for this and for the trial on the capital charge of the Chiefs now detained at Tehran, and the Valiahd has accordingly sent orders to Azerbaijan for the arrest of two remaining suspects, Saidi and Fathullah, who will no doubt sooner or later be brought to justice.

His Imperial Highness has sounded me, through various channels, direct and indirect, as to my willingness to render my American colleague more amenable to reason as understood by the Persians, and it is clear from the messages which he has sent me that the Russians have persuaded him that His Majesty's Legation, and not that of the United States, is responsible for the difficulties he is experiencing.

I have replied that, as far as I was personally concerned, I only asked for satisfaction on three points:—

1. The punishment of Captain Gough's assailants;
2. The fulfilment of the Persian Government's promise that the Mullah, Mirza Hussein Agha, should be removed, not merely from Urumiah, but from Azerbaijan, and sent provisionally to Tehran, or, better still, Meshed;
3. That some pecuniary compensation should be paid, if only as an act of grace, to the heirs of the murdered Mushi Daniel.

I have added that, as regarded the punishment of the Kurds concerned in the Labaree murder, it was not within my power to interfere, as between the Persian and American Governments as to the fulfilment of their reciprocal agreements.

I have at the same time the honour to transmit herewith copies of correspondence between myself and His Majesty's Consul-General in Azerbaijan as to the protection or assistance to be accorded to the Majid-es-Sultaneh, the only local Persian officer who endeavoured to render us real help in bringing the Kurdish murderers to justice. My American colleague, who is new to Eastern methods, has been unwilling to co-operate with me in protecting the Majid-es-Sultaneh, having had no instructions on the subject from his Government, but no person acquainted with Persia will doubt that we cannot, consistently with our honour and interests in Azerbaijan, abandon this officer to the vengeance of the Valiahd. The Nizam-es-Sultaneh, Acting Governor-General at Tabreez, frankly admitted as much to Mr. Wratislaw, adding that "Unless we" (the English) "saw the Majid through his troubles, no one would henceforth lift a finger to help us in Azerbaijan in the future."

I trust under these circumstances that your Lordship will approve the arrangements which I have sanctioned on his behalf.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

P.S.—Since writing the above I have received a further telegram from His Majesty's Consul-General at Tabreez, of which I have the honour to inclose a paraphrase, reporting that the contract suggested in my telegram of the 5th June to Mr. Wratislaw has been signed, and that the Majid-es-Sultaneh, to escape from further exactions, has taken refuge in the Consulate-General.

A. H. H.

Inclosure 1 in No. 12.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 21)

Sir,

Tabreez, May 16, 1905.

WITH reference to my telegram No. 36 of the 4th instant, I have the honour to forward herewith copy of a letter which I addressed to the Rev. O. H. Parry, who is now the only missionary residing in Urmi, asking for his opinion regarding the advisability of a reconciliation with Mirza Hussein Agha, which had been advocated by Dr. Cochran, and also of his reply.

Concerning Mirza Hussein Agha, Mr. Parry is strongly opposed to coming to terms with him. Dr. Cochran also changed his opinion on this subject before leaving Tabreez yesterday, and agrees with your Excellency's view that the man should at least continue his journey as far as Tehran.

Personally, I consider that the longer he can be kept away from Urmi the less will be his influence for evil when he returns, and that the prolonged absence of their protector and adviser cannot fail to have its effect upon the Kurds.

With regard to the latter, Mr. Parry seems to hold that anything short of a punitive expedition would be taken as a sign of weakness, and could lead to no satisfactory result.

I have, &c.
(Signed) A. C. WRATISLAW.

Inclosure 2 in No. 12.

Consul-General Wratislaw to the Rev. O. Parry.

Dear Mr. Parry,

Tabreez, May 4, 1905.

THANKS for your letter of the 26th April. I quite agree with you that it would be best if an expedition were sent against the Kurds, and they received such a punishment as would be remembered for a generation. But is there any chance of this? You know how obstructive the attitude of the Valiahd has been all along, even when he only occupied the position of a provincial Governor. Is he likely to be more amenable to reason now that he is Regent and responsible to no one? or when he is Shah—an event which may happen any day, and cannot be postponed many months? And even if it were possible to coerce him into eventually sending an expedition, it looks as if, under the American arrangement, he can postpone this till March next year. You have written to me that your position is "intolerable." Can an intolerable position be prolonged for so long?

These are the considerations which led me to suggest to our Legation that, failing a punitive expedition, it would be best to try to effect a reconciliation with the Kurds. We at present have got the best of them, and have two of their Chiefs in custody at Tehran, whom they probably consider to be in danger of their lives. To have these men's safety assured and to avert the possibility of further action against themselves, they should, in my humble opinion, be ready to agree to one of their number residing permanently here or at Tehran as a security for their future good behaviour. At any rate, I think it quite worth while to try for this; in case of failure we shall be no worse off than before.

I came to the above conclusion without consultation with Dr. Cochran, but on his arrival at Tabreez I found that he had formed exactly the same opinion. After all, he is the person most concerned, as the situation of his residence outside Urmi exposes him to greater danger than those who live inside the town.

I do not see how British prestige could suffer from such a settlement, though perhaps it would be more enhanced were the punitive expedition to come off. The opinion of the Nestorians at Urmi can be safely neglected; the Mussulmans are the only ones who count, and I think they have been impressed by the dismissal of the Governor and the removal of Mirza Hussein Agha.

With regard to the latter gentleman, Dr. Cochran, under the advice of Majid-es-Sultaneh, suggests that it might be better for the missionaries to intercede for him and beg him off further peregrinations. What is your opinion? It is impossible to guarantee his being kept away for any considerable length of time, once the Valiahd becomes Shah. He has indirectly expressed contrition to me.

Yours, &c.
(Signed) A. C. WRATISLAW.

Inclosure 3 in No. 12.

The Rev. O. Parry to Consul-General Wratislaw.

Dear Mr. Wratislaw,

English Mission, Urmi, May 11, 1905.

THANK you for yours of the 4th May, Confidential. I have certainly said that our position here was "intolerable;" but I do not wish you to think that I am personally in danger, unless I go to a distance from the city; but that of course means that in so far as our work is concerned with the mountain villages, we have been idle for more than a year, and I feel as keenly as any one the humiliation of being practically a prisoner and the dislike of being unable to do my proper work. But this makes me feel all the more strongly that a hollow agreement with the Mullah and the Kurds would be useless.

I would very much rather you did not ask my advice in the matter, but it would be churlish not to write all I can, while at the same time I feel that what I think would be the best course seems not to be accepted as such by the authorities, and also that I am ignorant of the many other considerations which weigh in this, which is after all only one of many questions which have to be considered by them.

In the first place, as regards the Kurds, it is proposed to treat with them and suggest the retention of two of their Chiefs at Tehran. Mr. Neesan, whose experience is far greater in these matters than any one's else, thinks that they will refuse any terms which include this condition; and he also thinks that the mere suggestion of it will show the weakness of their enemies and make them either agree for a time until they prepare another attack or that they will reject it, feeling that one point having been gained by inducing you to consider terms, they are sure to gain the rest by waiting. For you remember the one thing we were busy in impressing on them was that, though the English Government had to wait for ten years, they would never drop demands once made; and this idea of our tenacity is what impresses them. In the second place, what possible guarantee can there be that they will abide by any agreements made? You yourself know that they offered to swear on the Koran that they were guiltless, or take any oath that we wished. Our missionaries were Bedru's guests at the very time that his servants were killing Labaree. Nor do I believe that the fact that Kurdu and Tellu are in Tehran will restrain Bedru's servants from plunder and murder. Tamen Beg too, whose servants attacked Gough, is the avowed rival of Kurdu, and Mehmet Beg the enemy of all. If you enter negotiations, with whom is it proposed to treat, and who is to guarantee that the wolf will lie down with the sheep? I feel that negotiations would be unavailing, and if they were not, there is no means of guaranteeing any agreement being kept to.

I am afraid I do not regard Dr. Cochran as the person most concerned, except in so far as the Kurds regard him as their peculiar enemy. It is only because we do not travel where our work lies that we are less exposed to danger than he. It is not a matter that would appeal so directly to our Legations; but I regard the ghastly condition of the Christians as a great claim as our own safety, or at least my own.

The question of British prestige is of course not in my hands; but I do feel, if it is not impertinent of me to say so, it cannot fail to suffer from such a course. The expulsion of the Governor, I do honestly think, made little impression; it is too familiar an event, and is contrasted with the freedom from punishment of the men who attacked Gough. The effect on the population at large here, both Persian and Kurdish, of the expulsion of Mirza Hussein Agha, depends entirely on the length of his exile. If he returns before several years, everything will be explained by himself and his friends in his favour and he will say, as has already been said, that Dr. Cochran was frightened into going to Tabreez to intercede for him. The Bala Majtahed, with whom I maintain friendly relations according to your instructions, expressly said he would not answer for what would happen if Mirza Hussein Agha returned.

After all, *in ultimis judicium*. Whatever success English diplomacy has gained, and every one admits that its position now is a very high one in these parts, will be wiped out by a failure to carry out the work to a conclusion. I should never have withstood the proposal to intercede for Mirza Hussein Agha before he left here, if I had thought for a moment that he was to return at an early date. The question is not what the effect will be at Tehran or Tabreez, but what the Moslems think here; and I feel sure that they will think that, through a certain amount of humiliation which will have embittered them, they have shown their strength and gained a victory which will encourage them to continue in their old courses. Mirza Hussein Agha will

again become the adviser of the Kurds as to how to wreak vengeance. Meanwhile, all the Kurds will have suffered, will have keen anxiety, and a few thousand tomans, for which loss they easily recoup themselves out of their Christian neighbours.

I feel I have written what you will not agree with, but at the same time I expect you want me to put this side of the case as strongly as I can. I do not enter into the difficulties of the course, because you are much better acquainted with them than I am, and not because I do not realize them. But I do feel that if there were power enough to remove Mirza Hussein Agha, a triumph which astonished every one, it is incomprehensible that the lesser matter of the Kurds cannot be accomplished. Imam Kuli Mirza said to me that he felt there was little difficulty about the matter; he could easily show the Valiahd it was not great or expensive, especially if done in the winter.

The Kurds are at present infesting the roads round Urmi, and have robbed several herds within 8 miles of the city. Neesan met them only on Thursday last. Another man met them yesterday, and they asked him where the English were: "they wanted to sell them a horse." A third met Begzade servants just outside the city wall on Sunday, who made numerous inquiries about Cochran.

Yours, &c.
(Signed) O. H. PARRY.

Inclosure 4 in No. 12.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 17. Confidential.)

Sir,

Tabreez, April 17, 1905.

WITH reference to my telegram No. 22 of the 22nd March, I have the honour to report that on his arrival here Majid-es-Sultaneh was kept a prisoner for several days. The Valiahd abused him as the cause of all the Urmi trouble through his original report fixing the guilt on the Dasht Kurds, boxed his ears, and fined him 5,000 tomans. He was also obliged to sign an undertaking to remain in Tabreez till further orders.

Majid-es-Sultaneh's one desire now is to leave the country less a worse thing happen unto him. But this he cannot do without permission, and unless his property is secured. Your Excellency was so good as to telegraph to me on the 23rd March that you would inquire of M. Rabino whether the Bank of Persia would consent to take over his property, but I have not yet received the answer.

The case of Haji Nizam-ed-Dowleh affords a precedent for such a proceeding, as, when dismissed from the Governorship of Urmi on the demand of His Majesty's Legation, and knowing that he would be squeezed by the Valiahd, he transferred his properties (far more considerable than Majid-es-Sultaneh's) to the Russian Bank, and then left for Europe, first giving a cheque for 25,000 tomans as his contribution to the Labaree indemnity which was duly dishonoured on presentation to his banker at Tehran.

When Majid-es-Sultaneh reached Tabreez I offered him the hospitality of His Majesty's Consulate-General, but he thought better to decline. I have told him that my house is still open to him in case of personal danger, which he seems to apprehend from the vindictiveness of the Valiahd.

I feel very strongly that I am bound to see him through his troubles, which have come upon him simply and solely through his honesty in the Labaree case. It is true that the latter is a United States', not a British, affair, but public opinion in Azerbaijan draws no distinction between the two Governments, and if Majid-es-Sultaneh is left in the lurch, the odium will fall upon us.

I have, &c.
(Signed) A. C. WRATISLAW.

Inclosure 5 in No. 12.

Sir A. Hardinge to Consul-General Wratistlaw.

(No. 14.)

Sir,

Tehran, April 24, 1905.

I HAVE received your despatch No. 17 of the 7th instant respecting the oppression by the Valiahd of the Majid-es-Sultaneh, and I inquired of M. Rabino as to whether he could do anything towards meeting your wishes in the matter. I transmit to you herewith a copy of his reply,* in which he states that the Imperial Bank, by the terms of its concession, is prohibited from holding property in Persia without the written permission of the Persian Government.

I am consulting with Mr. Pearson as to whether any joint action on our part with the Valiahd will be possible on the Majid-es-Sultaneh's behalf.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure 6 in No. 12.

Sir A. Hardinge to Consul-General Wratistlaw.

(No. 22.)

(Telegraphic.) P.

Tehran, May 17, 1905.

YOU should defer your departure for Urumiah until you hear further from me. The question of making peace with the Kurds has been referred by the American Minister to his Government, and before committing yourself to any engagements which the State Department might be unwilling to fall in with, we think it will be better to await a reply from Washington.

The Valiahd may perhaps have decided that his wisest course would be to effect a friendly settlement of the Urmi question, on which he has been sounding me indirectly.

With regard to the Majid-es-Sultaneh's property, could a fictitious transfer be made to Stevens, or would such a course be inconsistent with the inability of foreigners to hold real estate in Persia?

Inclosure 7 in No. 12.

Consul-General Wratistlaw to Sir A. Hardinge.

(No. 31.)

(Telegraphic.) P.

Tabreez, May 18, 1905.

IF the property were mortgaged or rented to Stevens possible difficulty would be avoided.

Inclosure 8 in No. 12.

Consul-General Wratistlaw to Sir A. Hardinge.

(No. 36.)

(Telegraphic.) P.

Tabreez, May 29, 1905.

THE Valiahd had to contribute a sum of 25,000 tomans to American indemnity, and the Majid is now informed by the Governor-General that the only way to avoid severe punishment is to hand over that amount. I should like to settle the question of the Majid's property before Stevens' departure. He leaves for Europe shortly.

* Not sent.

Inclosure 9 in No. 12.

Sir A. Hardinge to Consul-General Wratistlaw.

(No. 26.)

(Telegraphic.) P.

Tehran, June 5, 1905.

YOU are authorized to inform Stevens that in my opinion the best method would be a fictitious loan through him. Majid-es-Sultaneh would assign to him the revenues of his estate in settlement of interest on loan, and, in order to enable him to exercise supervision over the property, would rent it to him for a nominal sum.

Inclosure 10 in No. 12.

Consul-General Wratistlaw to Sir A. Hardinge.

(No. 41.)

(Telegraphic.) P.

Tabreez, June 13, 1905.

CONTRACT has been signed as suggested in your telegram No. 26.

The late Governor of Urumiah appears to have denounced the Majid-es-Sultaneh as the instigator of the attack on Gough, and I conjecture that the Valiahd intends to accuse him of it. Two of his servants were arrested yesterday but subsequently released. He himself has come to the Consulate-General, where he is now my guest. He resolved on this move as he is now being pressed to give a bond for 8,000 tomans for the production of two of his Kurdish villagers.

No. 13.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 133. Confidential.)

My Lord,

Gulabek, June 14, 1905.

I HAVE the honour to transmit herewith the usual Monthly Summary of Events in Persia.

I append a translation of the "Fetoa," mentioned in the Summary, which Seyed Abdullah claims to have received from the three great Mujtaheds of Nejef, declaring all persons in M. Naus' employment to be partakers in his guilt. I have not yet seen the original of this document, and should not, before doing so, like to express any decided opinion as to its authenticity. I am inclined, however, to believe in it, as the comparative moderation of its tone contrasts with the violence of language with which Seyed Abdullah himself has preached the lawfulness of killing M. Naus.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 13.

*Monthly Summary to June 14, 1905.**Meshed.*

MAJOR SYKES relieved Colonel Minchin as His Majesty's Consul-General in Khorassan on the 7th May, and reports that he was very well received on his visits to the local officials.

A visitation of locusts is reported from the Turbat district, and a famine is feared.

The Russian Consul-General is reported to be pressing the Governor-General for the settlement of the large Russian claims arising out of the recent riots, but without success.

The Russian Consul-General is said to be increasing his store of arms, rifles being smuggled in in stationery boxes and by any official coming from Russia. He has presented the Governor-General with two rifles and a gold watch, on behalf of the Russian Minister.

The Shaikat-ud-Dowleh—a Timuri Chief, whose tribesmen live on the Russian frontier—has been in communication with the Russian Consul-General, asking Russian co-operation against marauding bands, one of whose Chiefs has fled across the frontier.

The Russian Consul-General and the head of the Russian Bank are said, on native authority, to have been discussing the project of a Meshed-Tehran railway; and it is further said that the Mushir-ed-Dowleh has promised a reply on this subject to the Russian Minister on the Shah's return from Europe. It is reported that a Russian—supposed to be an engineer—has reached Meshed, and will travel thence to Tehran to examine the road.

The Director of Telegraphs at Meshed secretly informed His Majesty's Consul that the Russian telegraphist at Khaf, M. Knyaz, was in possession of an instrument for tapping messages.

This Director of Telegraphs, the Khabir-ed-Dowleh, has since been dismissed from his post, but at the instance of Sir A. Hardinge has been promised other employment.

The Russian Bank are building a new establishment at Takliabad, about three-quarters of a mile outside the walls of Meshed, where they have purchased a large piece of land, and are preparing to build seventeen separate houses for their employés. It is said that they have obtained permission to open a new gate in the city wall opposite their holding, and intend to construct a proper road to it.

Ahwaz.

Mr. Lorimer, on a visit to the Sardar Arfa, discussed with that Chief the possibility of making a dam on the Kerkha at Kut Nahr Hashim. The scheme would increase the prosperity of the more settled Arabs of H. Hawiza at the expense of the Beni Taruf, and estimates of the cost varied from 50,000 tomans to 200,000 tomans. Mr. Lorimer is of opinion that the suggestion is worth keeping in view in case of the failure of the Ahwaz scheme.

The Bakhtiari Khans approached Messrs. Lynch with a view to securing the services of an engineer to inspect certain tracks in their country which they wish to convert into proper roads. They are said to have found the terms quoted by Messrs. Lynch very high.

The Azim-es-Sultaneh's arrangements for guarding Messrs. Lynch's steamer "Shusan" are declared to be more unsatisfactory than ever, and their local agent talks of advising them to remove the steamer altogether and substitute barges.

M. van Roggen, the Dutch engineer who has been surveying the Karun, has left for Europe, where he hopes to meet the Shah and terminate his affairs without having to return to Tehran.

Kerman.

The Zahir-es-Sultan has been reappointed Governor of Beluchistan.

Owing to the increased taxation, which it is feared that the people will be unable to pay, various Governorships in the province are vacant, no one being willing to accept them.

The Russian Commercial Agent has been distributing samples of tea from Russia, in the hope of creating a taste for this article, but so far without much success.

Captain Haworth reached Kerman on the 8th May and took over charge of the Consulate. He reports that on his journey from Bunder Abbas he was met everywhere with open manifestations of discontent with the Central Government.

On the 22nd May the Shah telegraphed from Enzeli to Rukn-ed-Dowleh, the Governor-General, demanding 40,000 tomans, arrears of last year's revenue, within eight days, on pain of dismissal without further notice. The Governor-General applied to Shab-ul-Mamaalek, his Deputy-Governor and Vizier, but he refused to find the sum and was accordingly dismissed. The Governor-General then appointed his Secretary, Amir-ul-Umra, who promised to provide the money, to be Vizier, and his own brother, Ain-ul-Mulk, to be Deputy-Governor. Amir-ul-Umra belongs to the unpopular sect of the Sheikhs, and the Mullahs at once began an agitation against his appointment and popular disturbances resulted. The dismissed Deputy-Governor refuses to take office again even if he were asked, and, according to the latest reports, affairs are at a deadlock.

Tabreez.

A corner in grain has been engineered by various powerful officials. The Nizam-es-Sultaneh has done his best to cope with the difficulty and arrange for a sufficient supply of bread, but as the officials composing the ring are under the direct patronage of the Valiahd, who is even supposed to share the profits, his task has been a difficult one.

A serious riot between Moslems and Armenians took place at Nakitchewan, near Julfa, just across the Russian frontier on the 26th May. A hundred Armenians lost their lives, and it is said that the authorities contented themselves with looking on and preserving an attitude of benevolent neutrality towards the Moslems. An alarmist report was spread in Tehran that Julfa was involved and Tabreez itself threatened, but this report proved to be without serious foundation, though there was some slight disturbance between workmen on the Russian road near Julfa, and a bread riot at Khoi.

Mirza Hussein Agha, the exiled Urmi Mujtahed, has received telegraphic orders from the Grand Vizier to the effect that he must not return to Urmi till after the Shah's return from Europe.

(For further information as to the troubles with the Kurds in Urumia, and the affairs of the Majid-es-Sultaneh, see Sir A. Hardinge's despatch to Foreign Office No. 130 of the 11th June.)

Ispahan.

An agitation amongst the Mullahs of Ispahan against the Belgian Customs Administration developed, during the month of Safar, into an open anti-foreign movement, some of the Mujtaheds going so far as to publicly advocate the murder of all Europeans. There was also an attempt to organize a Babi massacre at a village in the neighbourhood.

Mr. Preece left for England on the 10th May, and Dr. Aganoo assumed charge of His Majesty's Consulate General.

Shiraz.

On the 4th June His Majesty's Consul reported that anti-Jewish disturbances had broken out in the town and that a French-Jewish subject had been attacked. On the 9th June anti-Jewish agitation still continued. Sir A. Hardinge invited the Italian Minister, who received complaints from Italian Jews, and the French Chargé d'Affaires, to join him in representations to the Persian Government. The invitation was accepted by both Representatives.

Seistan.

An Afghan trader, on paying a sum into the Russian Bank, was given a receipt, on the back of which he found a rough note to the effect that the sum deposited by him was to go to the adjustment of the 12,000 tomans paid to the Hashmet-el-Mulk at Tehran.

This would go to show that Sir A. Hardinge's suspicion as to the quarter from which the Hashmet obtained the 2,000*l.*, which he at first asked us to guarantee for him and subsequently declined on the plea that he had received a remittance from Seistan, was correct. (See Sir A. Hardinge's despatch to Foreign Office, No. 27, of the 8th February.)

Colonel MacMahon and the Seistan Boundary Commission arrived at Nasratabad on the 29th April and stayed till the 8th May, being well received by the Persian officials.

Other questions relating to Seistan dealt with in despatches:—

Russian on Seistan telegraph line. Despatches to Foreign Office Nos. 116 of the 24th May, and No. 127 of June.

Governorships of Seistan and Kain. (To Foreign Office, No. 122 of the 2nd June.)

Seistan Boundary Commission.

Colonel MacMahon delivered his Award on the water question of the 10th April.

In the "Revue Transcaspienne" of the 14th March, an article appeared containing misleading statements about the Mission. From internal evidence Colonel MacMahon concluded that the article had been concocted, with the assistance of the Karguzar and M. Molitor, of the Belgian Customs, by M. Osweenko, the Russian Consul. A promise that the Karguzar would shortly be removed has already been given to Sir A. Hardinge, so that his conduct in this matter was of little importance; but Sir A. Hardinge, though not convinced that there was any *prima facie* evidence of M. Molitor having himself had any share in the production of the article, instructed His Majesty's Consul at Seistan to point out to him that there was evidently some leakage of information from his office, and to request him to impress upon his employés the necessity of observing greater discretion in future.

On the 3rd May, Colonel MacMahon received the British Indian traders of Nasratabad, who begged him to present to His Majesty's Government how trade was hampered by:—

1. The lack of telegraphic communication between Robat and Seistan.
2. The infrequency of the post from Robat.
3. The prohibition of the export of "ghi."
4. The difficulty of securing sufficient camel transport.

Owing to the disputed question as to who should make the first call, no visits were exchanged between Colonel MacMahon and the Russian Consul, though friendly messages passed between them, but the British cavalry escort and the Cossacks from the Russian Consulate exchanged hospitalities, entertaining one another at dinner.

Henjam.

His Majesty's Consul at Bunder Abbas reported, in April, that there was much excitement among the Arab population of Henjam owing to the erection of Persian flag-staffs and the institution of a Persian custom-house on the island. They declare that they will never acknowledge Persian suzerainty. We have already recognized the island to be Persian soil, and Mr. Shakespear, His Majesty's Consul at Bunder Abbas, who had promised the local Sheikh to give him a definition of the status of the island, feared that if he addressed him in this sense there might be a disturbance and danger to the telegraph employés. He accordingly asked for instructions, and was warned not to visit the island again except in case of emergency.

On the 2nd June the British Resident at Bushire telegraphed to the Legation that he had visited the island in company with Mr. Shakespear on the 26th May, and had seen no present danger of a breach of the peace. The Persian flag-staffs were still in position, and tenders had been invited at Bunder Abbas for the erection of a building on the island. (This may be the Persian telegraph office which is stipulated for in the Bunder Abbas Telegraph Extension Agreement.) (See Sir A. Hardinge's telegram to Foreign Office No. 65 of the 13th May.)

Resht.

(For the Shah's journey to Europe, see Sir A. Hardinge's despatches to Foreign Office No. 118 of the 27th May, No. 124 of the 6th June, and No. 128 of the 10th June.)

(For the Resht-Kazian road and Russian activity at Kazian, see Sir A. Hardinge's despatches to Foreign Office No. 115 of the 22nd May and No. 123 of the 6th June.)

Tehran Summary.

There is little of political interest to report from Tehran.

Seyyed Abdullah alleges that he has received a "fetva" from Nejef declaring that every person in the employ of M. Naus is accursed, excommunicated, and unclean.

The Mollahs are, however, fairly quiet.

Seyyed Abu Taleb Zenjani, a very enlightened Mujtahed, whose name is probably familiar to the Foreign Office as a friend of this Legation, and who is a supporter of the Ain-ed-Dowleh, has become Chief Mujtahed of Tehran in succession to Seyyed Ali Akhbar Tafreshi.

The Turkish Ambassador is threatening the Persian Foreign Office with a rupture of diplomatic relations, owing to the difficulties he has experienced in extracting from the hands of the Kermanshah authorities the estate of the late Vekil-ed-Dowleh, an Ottoman subject who was formerly British Agent. His Majesty's Legation is interested in the affair owing to the Imperial Bank being one of the creditors of the estate. The Turkish Embassy has repeatedly appealed to Constantinople for support in the matter, but the Sublime Porte, engrossed by its troubles in the Yemen and persuaded by the Arfa-ed-Dowleh that the Persian Government is doing all that it can, does not support its Ambassador here as actively as he would wish. Though the main object of the Persian officials is, of course, the plunder of the estate, out of which a bribe of 4,000 tomans is said to have been paid to the Mushir-ed-Dowleh, the Persian Foreign Office regards these proceedings somewhat in the light of reprisals against the Turks, who have recently prohibited Persian subjects from marrying Turkish women, and have declared that the issue of such unions would be deemed to be of Ottoman nationality, and, if males, forced to serve in the army.

The Vazir Makhsus, who was Minister of Justice in the time of the Atabeg-i-Azam, has been appointed to act as intermediary between the Prince Regent and the Council of Ministers, and seems likely to acquire thereby a very considerable influence. He is a friend of the Atabeg-i-Azam, and a secret opponent of the present Grand Vizier.

The Persian Government received some time ago a telegram from the Darya Begi, stating that the Sheikh of Sharga was erecting buildings on Tumb, and asking that His Majesty's Government should order him to discontinue doing so until they had examined the Persian case for the ownership of these islands. His Majesty's Resident in the Persian Gulf having reported that no such buildings were being erected, and that the whole story was an invention of the Darya Begi, the Persian Government was informed accordingly, but was warned at the same time that a reopening of the question of Tumb and Abu Musa would involve the reopening of that of Sirri. The Shah has, however, telegraphed that he wishes the question reopened.

The Nasr-es-Sultaneh, who was some years ago Governor-General of Ghilan, and lately Governor of Ardebil, has just returned to Tehran. In conversation with a member of this Legation, his Excellency described a frontier incident which occurred there some months ago, and rumours of which had reached Tehran.

It appears that the Commander of the Russian guards on the Aras frontier, to whom his Excellency had given offence on an occasion when the former called on him at Ardebil unannounced at an unpropitious hour, retaliated by making a racecourse for his Cossacks on the Persian side of the river, and allowing the Russian Customs officials to erect a dependency of the custom-house on Persian territory. An angry interchange of threats followed, and the consequent strained relations were only adjusted by a reference to respective head-quarters.

(Signed) G. J. KIDSTON.

Inclosure 2 in No. 13.

The Three Great Mujtaheds of Nejef to Agha Seyyed Abdullah Behbehani.

(Translation.)

May 13, 1905.

THE petitions and complaints of the inhabitants of Persia against M. Naus have reached such a limit that they cannot be overlooked. As you are the protector of the faith and the wellwisher of the Moslems, in order to protect the honour, property, and the lives of the Moslems, it is the duty of every Moslem to put an end to the injustice of this oppressive person, and all his employés who, under whatsoever pretext, assist him is a criminal, and the same as M. Naus himself.

(Signed) MOHAMMED KAZEM KHORASSANI.
MOHAMMED KAZEM TABATABAI.
Son of the late MIRZA KHALIL.

[As it was possible that the telegraph office would intercept this telegram it has been sent by post.]

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 8.)

(No. 134. Secret.)

My Lord,

Gulahak, June 14, 1905.

WITH reference to my despatch No. 118, informing your Lordship of the Russian refusal to grant further financial assistance to Persia without political conditions, I have the honour to report that, under strong pressure from M. de Speyer, the Russian Government reconsidered its decision, and, as stated in my telegram No. 74 of the 7th instant, notified on the 5th instant its willingness to advance the sum of 500,000 tomans for four years at 12 per cent. At the present rate of exchange this sum falls short by nearly 20,000*l.* of the 100,000*l.* which the Persian Government hoped to obtain. They had, in fact, begun by applying for the sum of 1,000,000 tomans (161,000*l.*) after their failure to obtain the 150,000*l.* for which they applied from the Imperial Bank of Persia, but though M. de Speyer was quite willing to ask his Government for this amount for them, M. Grube was strongly against it, and said that only half the amount ought, in his opinion, to be advanced for the present, reserving the discussion of the conditions under which the remainder would be granted for the visit to the Emperor of Russia which the Shah is expected to pay on his return journey.

I have the honour to transmit herewith copy of the note in which M. de Speyer informed M. Naus of his Government's readiness to make the advance in question. Your Lordship will note the passage in which this concession is represented as a special favour granted by Russia to the Valiah. As regards the demand made in paragraph 3 of this note, M. Naus informs me that M. de Speyer did not himself understand it, and professed himself quite satisfied with M. Naus' reply, that the conditions of the two loan contracts with respect to the payment of the coupon, would continue to be most carefully attended to.

From the account which M. Naus has given me of the negotiations with Russia for this advance, there appears to have been a good deal of working at cross-purposes between M. de Speyer and M. Grube, the latter of whom, especially since his colleague in China has succeeded M. de Lessar, is credited with a desire to become Russian Minister in Persia. When M. de Speyer, who was over-confident of his Government's willingness to make another loan to Persia, promised that 1,000,000 or even 2,000,000 tomans would be placed at the Shah's disposal with practically no conditions at all, M. Grube, on being referred to by the Russian Minister of Finance, said that no formal proposals had been made by the Persian Government to the Russian Bank, and was strongly of opinion that no more money should be advanced without stringent political conditions.

The Russian Government ended by striking a mean between the recommendations of its Minister and of its Bank Manager. It decided to grant a small advance without any conditions save a promise which M. de Speyer was instructed to obtain verbally, that all outstanding current questions between the Russian Legation and the Persian Foreign Office should be satisfactorily adjusted. In informing the Persian Government of this requirement, M. de Speyer pointed out that it was quite easy to give effect to it, as there was practically no outstanding question open. The little frontier incident at Ardebil has, in fact, been settled, as well as the question of the telegraphists on the Meshed-Seistan line, and it may, I think, be regarded as probable that the contracts of the Austrian military instructors will be also cancelled.

The Russian advance staves off a catastrophe, but does not by any means restore the solvency of the Persian Government. There is still a deficit on this year's Budget of 1,000,000 tomans, due, as I have before pointed out to your Lordship, to the effect of the war on the customs receipts from Russia and on exchange, as well as representing unpaid debts mainly contracted by the Atabeg. M. Naus has therefore been urging the Grand Vizier to accept your Lordship's offer of 100,000*l.* to 200,000*l.*, subject to the Karun condition, and has lately suggested that the latter might be expressed in terms less likely to offend the susceptibilities of the Shah as suggesting a limitation of his sovereign rights. He asked if I was willing to promise an immediate advance of 150,000*l.*, "à la condition que Sa Majesté consente à donner assurance que les travaux du barrage d'Ahwaz ne seront pas confiés à des personnes qui seraient en opposition avec les intérêts Anglais." I replied that this formula appeared to me vague and unsatisfactory, but that in any case, before I could express any formal opinion upon it or submit it to your Lordship, I should wish to be assured that it would be approved in

principle by the Shah, in which event we might be able to recast it in such a fashion as to satisfy both parties. His Excellency has telegraphed on this subject to the Grand Vizier, but has as yet received no reply from him.

M. Naus urged me very earnestly to endeavour to do all I could to induce the Imperial Bank of Persia to reconsider its objections to the proposals made to it for the discount of its royalties, alleging that the objections of Sir John Hollams, the bank's lawyer, were not based on any legal prohibition in the concession, but merely on the ground that the operation was not "a banking operation provided for by the statutes of the bank." This contention, M. Naus maintained, fell to the ground in view of the fact that the bank had already redeemed its own royalties when it first started business, and had engaged in a very similar operation when it discounted the Caspian fisheries royalties. He was apprehensive that, if by the time the Shah reached Russia on his return journey no arrangements had been made for meeting the deficit, and His Majesty was in pressing need for money, he might (and this, he said, was the end for which the Russians were working) be driven or rushed into agreeing to consolidate this and other earlier Russian advances on account current into a regular loan, to which most objectionable conditions, from the point of view of Persian independence, might be attached. "You know," said his Excellency, "the character of the Persians. So long as they are not absolutely bankrupt they will not discuss any conditions which they think objectionable. They always trust to the chapter of accidents, and to the hope that some *deus ex machina* will extract them from their embarrassments. 'Ils espèrent toujours qu'une alouette rôtie leur tombera dans les mains du ciel.' Then, when they find that the unexpected has not happened, and that they are absolutely forced in desperation to make terms, they throw up the sponge, and in a spirit of fatalism submit to everything."

I think there is great truth in M. Naus' estimate of the situation, and a confidential informant who has special means of access to the Russian Bank, and who first authoritatively confirmed the information received by me as to this last Russian advance, says the Persian Government's debts on account current to the Banque d'Escompte—especially with this high rate of interest—are mounting up in a manner which may make it necessary before long to consolidate them into a formal loan. By far the best solution of the difficulty would be that the Imperial Bank should advance the 150,000*l.*, or even only 100,000*l.*, asked for in April, and that when the Shah returns I should reopen negotiations with the Grand Vizier and M. Naus for a further advance, which will finally extinguish the deficit, on the basis either of the Karun conditions or of an undertaking to grant no concessions south of a definite line to foreign Governments or subjects. I have told M. Naus that I would represent this view of the situation to your Lordship, and that though, of course, I was not in a position to communicate officially or directly on such a subject with the Board of the Imperial Bank, I would explain and support his views in a private letter to Sir Lepel Griffin, with whom I was personally acquainted, and to whom I had occasionally written, confidentially and informally, about affairs affecting the bank's interests and concessions in Persia.

M. Naus informs me that, although a full week has elapsed since the Russian Government expressed its willingness to make this advance, he has not yet been able to draw any money on the strength of it from the Russian Bank, as he has been told by M. Ostrogradsky—who acts for M. Grube in the latter's absence—that before he can do this a confirmatory telegram must be received from the Russian Ministry of Finance. This telegram he, however, expects daily.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 14.

M. de Speyer to M. Naus.

*Légation Impériale de Russie, le 23 Mai,
(5 Juin), 1905.*

M. le Ministre,
JE viens d'être informé par télégraphe que le Gouvernement Impérial de Russie consent à avancer au Gouvernement de Sa Majesté le Schah la somme sollicitée par ce dernier de 500,000 tomans, pour quatre ans, à 12 pour cent par an.

Je serais infiniment obligé à votre Excellence si, en rapportant ce qui précède à

Son Altesse le Valiahd, elle voulait bien y ajouter que ce n'est qu'en vue de faciliter à Son Altesse Sa Régence que le Gouvernement Russe a accédé à cette demande d'avance.

En dehors de cela, mon Gouvernement croit devoir attirer l'attention de votre Excellence sur le fait que les revenus des Douanes Persanes servant de garantie aux emprunts faits antérieurement par la Perse en Russie sont quelquefois employés à couvrir d'autres besoins du Budget Persan, ce qui rend la garantie douanière illusoire et fictive.* Le Gouvernement Russe se croit, par conséquent, en droit de demander qu'on retienne tout d'abord des recettes douanières Persanes les sommes nécessaires au paiement de l'amortisation et des intérêts des emprunts contractés en Russie, et que le surplus seul soit ensuite mis à la disposition du Gouvernement Persan.

J'espère que votre Excellence voudra bien m'accuser la réception de ma note d'aujourd'hui, en m'y donnant une réponse conforme à son contenu; et je vous prie, &c.

(Signé) SPEYER.

No. 15.

India Office to Foreign Office.—(Received July 8.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Brodrick, forwards herewith, for the information of the Secretary of State, copy of a telegram to the Viceroy, dated the 5th July, regarding a proposed loan to the Persian Government.

India Office, July 6, 1905.

Inclosure in No. 15.

Mr. Brodrick to Government of India.

(Telegraphic.) P.

India Office, July 5, 1905.

PERSIAN Loan: Your telegram of the 16th May last.

His Majesty's Government have decided, in consequence of representations which have been made by the Persian Minister to Lord Lansdowne, that it is desirable to offer an advance of 150,000*l.* to the Persian Government, on the same terms and in the same manner as in the case of the two previous advances. In offering the advance it is proposed that an intimation should be made to the Persian Government to the effect that His Majesty's Government do not desire to attach any new conditions to it, but that they will be satisfied with a recapitulation of assurances to which, in the opinion of His Majesty's Government, the Persian Government already stand pledged, viz.:—

1. That, with regard to the expression, "customs of Fars and the Persian Gulf," the Persian Government agree in the interpretation placed upon it by His Majesty's Government, as notified in the Memorandum dated the 30th August, 1904, from Sir A. Hardinge to the Persian Foreign Minister; and

2. That all railway construction in Southern Persia, including Seistan, shall be carried out under the auspices of His Majesty's Government, in so far as foreign assistance is required.

I shall be glad to learn your views on the course proposed.

The present state of the Agreement between the Persian and Russian Governments in regard to railway construction is described in Sir A. Hardinge's despatch dated the 17th May last, copy of which was inclosed with Political Secretary's letter No. 24, dated the 16th ultimo.

* *Note by M. Nour:* "On ne comprend pas cette observation. Le coupon a été payé chaque fois au moins quinze jours avant l'échéance. Quoi qu'il en soit, il a été répondu que les conditions fixées pour le paiement des arrérages seront strictement observées."

No. 16.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 57.)

(Telegraphic.) P.

Foreign Office, July 8, 1905.

ADVANCE by His Majesty's Government to Persia.

[Substance of India Office, July 6, 1905.]

No. 17.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 103.)

Sir,

Foreign Office, July 10, 1905.

I TRANSMIT to you herewith copy of a letter from the Euphrates and Tigris Steam Navigation Company,^o relative to the navigation of the Karun River, and the unsatisfactory state of affairs brought about by the policy of the Persian Government in that region.

I request that you will take any action which you properly can in the matter, in the sense desired by the Company.

I am, &c.
(Signed) LANSDOWNE.

No. 18.

Foreign Office to India Office.

Sir,

Foreign Office, July 11, 1905.

I AM directed by the Marquess of Lansdowne to acknowledge the receipt of your letter of the 5th instant, relative to Russian signallers on the Meshed-Seistan telegraph line.

Lord Lansdowne concurs in the proposal of the Secretary of State for India to approve the suggestion of the Government of India that one British signaller should be dispatched to Birjand and one to Turbat-i-Haidari.

I am, &c.
(Signed) E. GORST.

No. 19.

India Office to Foreign Office.—(Received July 12.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Brodrick, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 9th July, regarding the Perso-Baluch boundary.

India Office, July 10, 1905.

Inclosure in No. 19.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

July 9, 1905.

PLEASE refer to the despatches of the 15th and 21st May last from His Majesty's Minister at Tehran on the subject of the Perso-Baluch boundary, and to my telegram of the 22nd June. Agreement signed by Sir A. Hardinge and Mushir-ed-Dowleh may, in my opinion, be accepted by His Majesty's Government. I also concur with Hardinge's view that it is unnecessary for ratifications to be exchanged formally between His Majesty and the Shah. With regard to Padaha, MacMahon now states

that this name, which was applied to our post in order to distinguish it from the post formerly established at Mirjawa, is, strictly speaking, not correct, as there is another and better-known place bearing the same name (Padaha) between Mirjawa and Ladis. This fact probably accounts for Mushir-ed-Dowleh's belated suspicions regarding it.

(Repeated to His Majesty's Minister at Tehran.)

No. 20.

India Office to Foreign Office.—(Received July 13.)

Sir,

India Office, July 13, 1905.

I AM directed by Mr. Secretary Brodrick to inclose, for the information of the Marquess of Lansdowne, a copy of telegrams which have passed between this Office and the Government of India on the subject of the proposed advance from Indian revenues to the Persian Government of a sum of 150,000*l*.

Lord Lansdowne will see that the Indian Government are prepared to meet the wishes of His Majesty's Government in this matter.

Mr. Brodrick presumes that the stipulation that "all railway construction in Southern Persia (including Seistan) shall, in so far as foreign assistance is required, be carried out under the auspices of His Majesty's Government," would apply to any portion of a northern railway which might hereafter lie within the territorial limits of Seistan.

The Secretary of State for India in Council is accordingly prepared to provide from Indian revenues a further sum of 150,000*l*. for an advance to the Persian Government on the terms mentioned in Lord Lansdowne's draft note, subject to the understanding that His Majesty's Government guarantee the Government of India against loss on the transaction, both as regards principal and interest, to the extent of one-half of the amount involved.

It is presumed that the advance will be made in the same manner, both as regards agency and rate of interest, as in the case of the previous loans, and that the security also will be the same as on the former occasions.

I am, &c.
(Signed) A. GODLEY.

Inclosure 1 in No. 20.

Mr. Brodrick to Government of India.

(Telegraphic.) P.

July 5, 1905.

PERSIAN loan: Your telegram of the 16th May last.

His Majesty's Government have decided, in consequence of representations which have been made by the Persian Minister to Lord Lansdowne, that it is desirable to offer an advance of 150,000*l*. to the Persian Government, on the same terms and in the same manner as in the case of the two previous advances.

In offering the advance it is proposed that an intimation should be made to the Persian Government to the effect that His Majesty's Government do not desire to attach any new conditions to it, but that they will be satisfied with a recapitulation of assurances to which, in the opinion of His Majesty's Government, the Persian Government already stand pledged, viz.:—

1. That, with regard to the expression "customs of Fars and the Persian Gulf," the Persian Government agree in the interpretation placed upon it by His Majesty's Government, as notified in the Memorandum, dated the 30th August, 1904, from Sir A. Hardinge to the Persian Foreign Minister; and

2. That all railway construction in Southern Persia, including Seistan, shall be carried out under the auspices of His Majesty's Government, in so far as foreign assistance is required.

I shall be glad to learn your views on the course proposed.

The present state of the Agreement between the Persian and Russian Governments in regard to railway construction is described in Sir A. Hardinge's despatch, dated the 17th May, 1905, copy of which was inclosed with Political Secretary's letter dated the 16th June, 1905.

Inclosure 2 in No. 20.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

July 11, 1905.

PERSIAN loan: Your telegram of the 5th July.

Government of India are prepared, on the same terms as before, to join in advance to Persian Government on the conditions specified in your telegram. We conclude that His Majesty's Government are convinced of political importance, at present juncture, of offering loan, although we are not aware of the precise circumstances that have led to this decision. As regards the proposed conditions, the second condition possesses, in our opinion, positive advantage, since by it Seistan is brought within the scope of the assurances previously given us by Persia in regard to railway construction. The assurance will, we understand, apply as a matter of course equally to a railway into Seistan from the north as to a railway leaving Seistan on the south.

The first condition, however, gives us nothing new, *vide* despatch, dated the 21st December, 1904, from His Majesty's Minister at Tehran, in which opinion is expressed that the signature of "Règlement Douanier" has already decided the matter in the sense for which we contend.

No. 21.

Memorandum communicated to Persian Minister, July 13, 1905.

ON the 17th April, 1905, His Majesty's Minister at Tehran was authorized to inform the Persian Government that His Majesty's Government were prepared to facilitate a further advance by the Imperial Bank of Persia of 100,000*l*. at 5 per cent. on the security of the customs of Fars and of the Persian Gulf, on the sole condition that in the event of the project of Karun irrigation eventually developing, its execution should only be intrusted to agents approved by His Majesty's Government.

As the Persian Government objected to this condition the proposal was abandoned, and must be considered to be definitely withdrawn.

His Majesty's Government are anxious to do everything they can to assist the Persian Government. They are therefore prepared to facilitate an advance of a sum not exceeding 150,000*l*., to be made in the same manner and on the same terms as regards security and interest, as in the case of the two previous loans. His Majesty's Government do not desire to attach any new conditions to this advance, and will be satisfied with the recapitulation of assurances to which they consider that the Persian Government are already pledged.

These assurances are (1) that the Persian Government agree in the interpretation attached by His Majesty's Government to the expression "customs of Fars and of the Persian Gulf," as notified in Sir A. Hardinge's note to the Mushir-ed-Dowleh of the 30th August, 1904; and (2) that railway construction in South Persia (including Seistan) shall, in so far as foreign assistance is required, only be carried out with the consent of His Majesty's Government.

Foreign Office, July 13, 1905.

No. 22.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 13.)

(No. 84.)

(Telegraphic.) P.

Gulahek, July 13, 1905.

HIS Majesty's Consul in Seistan telegraphed as follows from Birjand on the 2nd July:—

"The Governor of Kain, Mahommed Ibrahim, in order to repay money borrowed from Moavin-ut-Tujjar at Meshed to secure his Governorship, now wishes to borrow 50,000 tomans from the Imperial Bank of Persia. His loan from the Moavin pays interest at 24 per cent., and the Chief Manager of the bank in Tehran has already intimated that the bank would be willing to lend him the money at 15 per cent., provided it were guaranteed by Government.

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"The Hashmet is working hard to oust Ibrahim from his Governorship, and, at his instigation, the Chief Mujtahed at Tehran has moreover just telegraphed to Birjand to stay the execution of the late Shanhat's will. Under these circumstances the Governor's position is somewhat precarious, but, on the other hand, his retention as Governor here is favoured by the entire Kainat. It would be a misfortune, politically, if the Governor's promissory notes to the Moavin were to pass into the hands of the Russian Bank, and this is certain to happen if we decline to accommodate him.

"If, therefore, the bank approve the security offered, I venture to think that the loan should be guaranteed by Government."

No. 23.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 13.)

(No. 85.)

(Telegraphic.) P.

Gulabek, July 13, 1905.

FOLLOWING sent to Seistan, No. 37, and repeated to Foreign Office and India:—

"Your telegram No. 95, Confidential, of the 2nd July: Loan to Governor of Kain.

"I agree with your view that it would be judicious to comply with the Governor's request, but certain sums have already been guaranteed for the Hashmet by the Treasury, and, as this course is somewhat unusual, the Treasury may probably insist that India should bear the risk of the transaction now proposed."

No. 24.

Committee of Imperial Defence to Foreign Office.—(Received July 14.)

(Secret.)

Sir,

2, Whitehall Gardens, July 13, 1905.

I HAVE the honour to transmit, for the information of the Secretary of State for Foreign Affairs, an extract from the Minutes of the seventy-third meeting of the Committee of Imperial Defence dated the 28th ultimo, regarding the proposal to make a further loan to the Persian Government.

I have, &c.

(Signed) G. S. CLARKE, *Secretary.*

Inclosure in No. 24.

Extract from the Minutes of the 73rd Meeting of the Committee of Imperial Defence, held on June 28, 1905.

(Secret.)

Persia.

2. WITH reference to conclusion No. 6 (1) of the sixty-seventh meeting, Lord Lansdowne asked for the views of the Committee as to the advisability of making a further loan to the Persian Government.

The Persian Ambassador had informed him that his Government was now in a state of financial embarrassment, and urgently required from 100,000*l.* to 200,000*l.* for current administrative expenses.

Owing to the terms of its constitution the Imperial Bank of Persia could not advance this sum, and the question arose as to whether, and on what conditions, His Majesty's Government and the Indian Government should make the advance.

A short time ago we entered into negotiations in respect to a proposal made by the Persian Government to borrow money on the security of the Ahwaz irrigation works on the Karun Valley, and of a further lien on the customs of the southern ports of Persia.

The negotiations fell through, but the question had been raised again.

As regards the value of the proposed securities, we already possess a lien on the

customs of the southern ports of Persia, and we should not strengthen our position by increasing it. No final report has yet been received from the engineer who was examining the Ahwaz irrigation project, but it was understood that he was provisionally of the opinion that the dam would either interfere with the navigation of the Karun River, which would militate against British commercial interests, or if made so small as to obviate this objection the scheme was unlikely to prove a financial success.

While it is improbable that money lent to the Persian Government will be expended for the benefit of the country, yet if we refuse to lend Russia will consent to do so. The Russians have already offered to advance the money now required, but the conditions demanded are so onerous that the Persian Government has hitherto declined to accede to them.

Mr. Balfour pointed out that the terms of our Railway Agreement with Persia were unsatisfactory and ambiguous (*vide* Appendix I of the Minutes, sixty-seventh meeting), and that we did not even know the period of the duration of the Russo-Persian Railway Arrangement, with which it was closely connected. It might therefore be worth while to advance money in return for definite and exclusive privileges of railway construction in Southern Persia and Seistan.

He also thought that the opportunity might be taken of obtaining from the Persian Government the acceptance of our definition of the meaning of the terms "southern ports of Persia" (see Minute 7 (b) of sixty-third meeting).

Conclusion.

That the possibility of obtaining—

(a.) The exclusive privilege of railway construction in Southern Persia and Seistan in the event of any Railway Concession to Russia in Northern Persia; together with

(b.) Such a redefinition of the meaning of the term "southern ports" as would clearly include Chahbar and Mohammerah; in exchange for an advance of money to the Persian Government, should be considered by the Foreign Office.

No. 25.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 59.)

(Telegraphic.) P.

Foreign Office, July 15, 1905.

HIS Majesty's Government accept the text of the Agreement for settling the Perso-Baluch boundary, as submitted in your despatch No. 102 of the 15th May last. It will not be necessary to exchange formal ratifications.

I am, &c.

(Signed) LANSDOWNE.

No. 26.

Foreign Office to India Office.

Sir,

Foreign Office, July 17, 1905.

I AM directed by the Marquess of Lansdowne to transmit to you herewith copies of two telegrams from His Majesty's Minister at Tehran,* regarding a proposed loan to Mahomed Ibrahim, the Governor of Kain.

It will be observed that the Imperial Bank of Persia are ready to advance a sum of 50,000 tomans in order to enable Mahomed Ibrahim to redeem a debt to the Muavin-u-Tujar of Meshed, provided that repayment is guaranteed by His Majesty's Government. His Majesty's Consul-General at Meshed recommends that the guarantee should be given, as the present Governor is popular in Kain, and his promissory notes might otherwise pass into the hands of the Russian Bank. Sir A. Hardinge supports this recommendation.

* Nos. 22 and 23.

I am to state, for the information of the Secretary of State for India, that Lord Lansdowne is entirely opposed to the idea that His Majesty's Government should participate in any such guarantee, and he is not prepared to recommend that it should be given by the Government of India, but he would be glad to be favoured with Mr. Brodrick's views on the subject.

I am, &c.
(Signed) E. GORST.

No. 27.

Board of Trade to Foreign Office.—(Received July 19.)

Sir,

Board of Trade, July 18, 1905.

I AM directed by the Board of Trade to acknowledge the receipt of your letters of the 24th and 26th ultimo, forwarding decyphers of telegrams from His Majesty's Minister at Tehran, reporting that the Russian Ministry of Finance have decided to organize a service of motor cars for the conveyance of Russian goods on certain roads in Persia.

In reply, I am to state that the Board have given careful consideration to this matter, and have consulted upon it with Mr. Maclean, who, as Lord Lansdowne is aware, recently conducted a Commercial Mission to Persia on behalf of their Commercial Intelligence Committee.

The Board fully recognize that Sir A. Hardinge is in a better position than themselves to appreciate the importance of a move of the kind on the part of Russia. The information, however, at the disposal of the Board suggests doubts whether much practical advantage will accrue to Russian commerce by the establishment of the new means of transport.

They understand that a long stretch of the Resht-Tehran road is (or was) in very bad repair; that to put the roads to which Sir A. Hardinge refers into condition for motor traffic of any magnitude would involve enormous cost, and that even then they would only be available for about seven months of the year; that the snow of winter and the drought of summer would necessitate continuous heavy expense to maintain the roads in condition for motor traffic; and that the gradients are very steep, especially on the Caspian side. In view of these considerations, it seems uncertain whether any appreciable amount of traffic would be possible except under very favourable conditions and with light loads.

If, however, it should be considered necessary to make any counter-move, as suggested by Sir A. Hardinge, against this new policy of the Russian Government, the Board consider that the most practicable method would be that advocated in Mr. Maclean's Secret Report to the Board of Trade, sent to you on the 21st October last, namely, the improvement of the roads in Southern Persia, leading from the Gulf ports into the interior.

I am, &c.
(Signed) H. LLEWELLYN SMITH.

No. 28.

Foreign Office to Admiralty.

(Confidential.)

Sir,

Foreign Office, July 21, 1905.

I HAVE laid before the Marquess of Lansdowne your letter of the 1st instant on the subject of the action to be taken by His Majesty's Government in the event of Russian encroachment in the Persian Gulf. You forward a suggestion from the Commander-in-chief on the East Indies Station that, in the event of Russia hoisting her flag at Bunder Abbas, the British flag should be hoisted at Kishm, Hormuz, Henjam, on Sheep Island, and Khor Kawi, and you inquire whether the Lords Commissioners of the Admiralty may assume that such a measure would be recognized as an act of territorial expansion, and would be accompanied by a Proclamation by His Majesty's Government to that effect.

I am directed by Lord Lansdowne to state in reply that there is, in his Lordship's opinion, no probability that Russia will hoist her flag at Bunder Abbas. It appears to

his Lordship scarcely necessary at the present time to discuss the action which should be taken in so improbable an event, as the Russian fleet, to which reference was made in the Minute of the Committee of Imperial Defence, quoted in your letter, has ceased to exist.

Lord Lansdowne considers further that, in the event of its being at any time decided to hoist the British flag on any island in the Persian Gulf, it must depend on the circumstances whether the act should be regarded as one of temporary occupation, as in the case of Port Hamilton in 1885, or of permanent acquisition.

I am, &c.
(Signed) T. H. SANDERSON.

No. 29.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 24.)

(No. 87.)

(Telegraphic.) P.

Gulahek, July 23, 1905.

TWELVE Chiefs of the Direkwand Lurs are reported by Governor to have been captured, presumably by treachery. Six of those concerned in the attack on Colonel Douglas and Mr. Lorimer are said to be included in the number.

No. 30.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 24.)

(No. 88.)

(Telegraphic.) P.

Gulahek, July 24, 1905.

FOLLOWING repeated to India:—

Information reaches me, from a confidential source, to the effect that Russia has been approached by the Persian Government with a view to obtaining a further loan of 500,000 tomans, without conditions, and that the consent of the Russian Government seems likely to be obtained. A desire to influence your Lordship's negotiations with the Persian Minister may have inspired this latter intimation, but I am inclined to believe in its truth, as a large political loan must eventually be formed out of these smaller loans, at high interest and on account current. The Persian Government, moreover, by threatening to borrow from us, can force the Russian hand.

No. 31.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 25.)

(No. 89.)

(Telegraphic.) P.

Gulahek, July 25, 1905.

FOLLOWING repeated to India and Meshed:—

In spite of the fact that repeated telegrams have been sent at my request to the Grand Vizier, asking whether there is any foundation for the rumour that the Seistan Crown lands have been alienated, the Mushir-ed-Dowleh has failed to elicit any reply from his Highness. He therefore suggests that the British Embassy in Paris should be instructed to approach him on the subject. I suggest, as an alternative, that the Persian Minister in London might be questioned on the subject by your Lordship. I suspect that the merchants in whose name the lands are alleged to have been purchased are really dummies, and that the Grand Vizier, acting in their names, is trying to get a lien on Crown property in Seistan and elsewhere as security for the loan made to the Shah for the Royal journey, which loan, though also in their names, was really made by the Grand Vizier himself.

No. 32.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 26.)

(No. 90.)

(Telegraphic.) P.

Gulahek, July 26, 1905.

FOLLOWING telegram repeated to India:—

(Confidential.)

Your Lordship's telegram No. 57 of the 8th instant.

A group of German and American capitalists is, I hear, endeavouring to secure a Concession from the Persian Government for a railway from either Bushire or Mohammerah to Meshed and the Transcaspian frontier, passing via Tehran and having a branch line to Khanikin. A very large sum would be offered to the Shah, and they have already sounded M. Naus as to his willingness to act as their intermediary with the Persian Government, offering him shares in the enterprise as a reward for his services. This proposal has been declined by M. Naus, on the ground that his official position here precludes him from assuming such a task, and he has warned them that an understanding with the British and Russian Governments is an essential preliminary if their scheme is to be successful.

No. 33.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 26.)

(No. 91.)

(Telegraphic.) P.

Gulahek, July 26, 1905.

FOLLOWING repeated to India:—

Valiahd has been informed by the Shah that he will reach the Persian frontier on the 3rd September, abandoning his contemplated visit to the Russian Court.

No. 34.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 26.)

(No. 92.)

(Telegraphic.) P.

Gulahek, July 26, 1905.

FOLLOWING repeated to India:—

I am informed, confidentially, by M. Naus that the Shah in Europe has granted two long private interviews, one of three hours' duration, to the Amir-es-Sultan. M. Naus is of opinion that he will return to Persia with the Shah, and regain the position of Grand Vizier which he formerly held.

No. 35.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received July 27.)

(No. 93.)

(Telegraphic.) P.

Gulahek, July 26, 1905.

GOVERNMENT of India have asked my views as to advisability of asking for a concession for a road from Bunder Abbas to Kerman with the right to run a motor-car service upon it. I have replied as follows:—

"Motor service. Your telegram of yesterday.

"I should advise you to refer the matter to Sykes. I am not in a position to express a strong opinion on the proposal brought forward by Newcomen. Although the badness of the road from Bushire to Shiraz doubtless handicaps that route, yet the road from Isfahan to Tehran is already worked by an English Company, and an extension to Shiraz might be easier to obtain than a Bunder Abbas-Kum Concession.

"Eastern Persia, I imagine, will hardly be affected by the Russian service, and the Russian roads to the markets of Western Persia would be more open to competition from Shiraz than from Bunder Abbas. Trade, of course, would also be diverted from the Nushki route by improved communications from Bunder Abbas."

No. 36.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 61.)

(Telegraphic.) P.

Foreign Office, July 28, 1905.

WE are not prepared on this occasion to sanction the Government of India guaranteeing a loan to the Governor of Kain, as suggested in your telegrams Nos. 84 and 85 of the 13th instant, nor can we give a guarantee of the nature suggested ourselves.

No. 37.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 110.)

Sir,

Foreign Office, July 29, 1905.

I HAVE received your despatch No. 127, Confidential, of the 10th ultimo, respecting the unsatisfactory attitude of the Grand Vizier in regard to the question of the Russian telegraphists in Khorassan and Seistan, and the new line from Kuchan to Bajgiran.

The terms of the note which you addressed to the Mushir-ed-Dowleh on this subject on the 8th ultimo have my approval.

I am, &c.

(Signed) LANSDOWNE.

No. 38.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 138. Confidential.)

My Lord,

Gulahek, June 21, 1905.

ON receipt of Major Sykes' telegram No. 59, reported in my telegram to your Lordship No. 77 of the 17th instant, and reporting the arrival at Meshed of twenty Cossacks with an officer and two waggons, and the rumour that more were to follow, I addressed a semi-official note to the Mushir-ed-Dowleh, asking if he had any information corroborating this report, and, if so, what steps the Persian Government proposed to take. I spoke in the same sense to his Excellency's son and Secretary, the Motemin-ul-Mulk, who happened to be calling on me on the morning on which Major Sykes' message reached me, and who evidently considered it important.

To-day, in pursuance of the instructions contained in your Lordship's telegram No. 58, I inquired verbally of the Mushir-ed-Dowleh if he had received any confirmation of this news. His Excellency replied that the Russian Minister, who had just been with him, had informed him that these twenty Cossacks had been sent to Meshed to protect the Russian Consulate-General, in the event of a recurrence of the recent disturbances in that city. He had, he went on to say, told my Russian colleague that this announcement would produce a disturbing effect upon the Shah, who might even send a special envoy to St. Petersburg to complain of the step taken, that there was no reason to apprehend fresh disturbances, and that if these occurred the Persian Government would itself provide a sufficient force to protect the Russian Consulate-General and maintain order. M. de Speyer had replied that the British Consulate-General had a guard of thirty sepoy, whilst the Russian Consulate-General had had hitherto only five Russian Cossacks, and that even with this new detachment the Russian guard would be less by five men than the British. On the Mushir-ed-Dowleh's observing that this British guard was intended to balance the Russian cordon at Turbat-i-Haidri and Karez, M. de Speyer had answered that the latter consisted mainly of Persian Cossacks, under the command, it is true, of a few Russian officers, and that there were at present not more than five or six Russian Cossacks at Karez and Turbat-i-Haidari. The Russian Minister asserted that the British Consular guards throughout Persia were almost everywhere larger than the Russian, and gave the Mushir-ed-Dowleh a positive assurance that no further addition would be made to the strength of the Cossack detachment now at Meshed.

Your Lordship will remember that, when the recent riot took place, the Acting Russian Consul-General at Meshed applied for fifty Cossacks, but that M. de Speyer considered their dispatch at that moment inopportune, presumably because he was negotiating with the Persian Government for the admission of the Russian telegraphists on the Khorassan-Seistan line, and endeavouring to arrange for the advance of 500,000 tomans, which has now, as reported in my despatch No. 134, Secret, of the 14th instant, been at length made by the Russian Bank. The Russian Consul-General's demand no doubt called the attention of the Russian Government to the disparity of the Russian and British guards, and decided it, once the questions above-mentioned were settled, to strengthen its own force at Meshed. Whether it really intended, as Major Sykes suspects, to pave the way for the presence there of 200 men must remain a matter of conjecture, but it seems improbable that it will now make the attempt in the face of the promise given by M. de Speyer.

The Motemin-ul-Mulk mentioned to me in confidence that M. Vlassoff, my late Russian colleague, had proposed, and that M. de Speyer had quite lately renewed the proposal, that a new kind of "military passport" should be granted to Russian officers and soldiers in Transcaspia who might desire to have occasion to visit Khorassan, and that the Shah, to whom the suggestion had appeared suspicious, had strongly objected, saying that he was quite ready to give increased facilities, including even a reduction of fees, to Russian subjects, but that these must be civilians and not soldiers.

I have, &c.
(Signed) ARTHUR H. HARDINGE

No. 39.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 140. Very Confidential.)

My Lord,

Gulahak, June 23, 1905.

IN my despatch No. 134 of the 14th instant I had the honour to report that, although the Russian Legation had notified to the Persian Government its willingness to make to it an unconditional advance of 500,000 tomans on account current, bearing interest at 12 per cent., M. Naus was unable to draw on the Russian Bank till a confirmatory telegram was received from the Minister of Finance at St. Petersburg.

The hitch, as I have now learnt from his Excellency, was the result of a misunderstanding. The total amount due as interest and sinking fund on the two Russian Government loans often failed actually to reach the Russian Treasury, not because the Persian Government did not pay it at the regular prescribed dates, but because the Russian Bank, like the Imperial Bank of Persia, was in the constant habit, in pursuance of its settled policy, of readvancing a part of it on "account current" at 12 per cent. as soon as or soon after it was paid. St. Petersburg, apparently, did not quite understand the system, and it was for this reason that M. de Speyer was instructed to make, in his note of the 5th June (inclosed in my above-mentioned despatch), the observation which formed the subject of M. Naus' marginal comment. As soon as the point was cleared up, the Russian Ministry of Finance telegraphed to its Acting Bank Manager at Tehran to place the 500,000 tomans at the disposal of the Persian Government, and M. Naus has now been able to draw on them. He reminds me, however, that in two or three months' time he will again be in pressing need of money, and says that he has as yet received no reply from the Grand Vizier to his suggestions respecting the Karun condition.

M. de Speyer and M. Ostrogradsky proceeded to Tehran on Sunday last, the 18th instant, on the pretext of presenting a new Director of the Resht-Tehran Road to the Valiahd, in order to announce to His Imperial Highness that all the arrangements for the advance were now complete. The Russian Minister, I am informed, laid great stress, in conversation with the Valiahd, on the fact that the Russian Government, which had been so stiff about political conditions with the Shah and Grand Vizier, had abandoned this attitude in order to be able personally to oblige His Imperial Highness, and made it clear that this favour was the direct result of the Russian sympathies which the Prince had of late displayed. The Valiahd was, of course, profuse in expressions of gratitude, and presented a valuable diamond ring, as an earnest of his Russophil feelings, to M. de Speyer.

A member of the Persian Royal Family, speaking to me a few days ago of the

Valiahd's Russophilism, which he deplored, expressed to me in confidence the opinion that it was based upon purely personal considerations. He ascribed it partly to the personal loans made to him by the Russian when he was in difficulties with the Imperial Bank—loans on which I may mention His Imperial Highness has not as yet paid any interest—and partly on a suspicion which the Russians have instilled into his mind that the British Legation is working with the Ain-ed-Dowleh to exclude him from the succession to the throne, and get his younger brother, the Shoa-es-Sultaneh, declared Heir-Apparent in his place. Your Lordship may remember that, when a few years ago the Shah was still uncertain as to which of his sons he should make Valiahd, the Ain-ed-Dowleh supported the claims of the Shoa, on the ground that a maternal grandfather of His Majesty's eldest son, the present Valiahd, was not merely of non-royal, but of very mean plebeian birth. The circumstances that in 1902, for reasons reported to your Lordship at the time, I supported the Shoa-es-Sultaneh as Governor-General of Fars against the influential local faction of the Kawam-ul-Mulk, that the Ain-ed-Dowleh, since he became Grand Vizier, has slightly leaned to the side of English as against Russian interests, and that in the matter of the Urumiah murders I have been inconsiderate enough to ask for the punishment of criminals whom the Valiahd had been bribed to protect, have been ingeniously represented by the Russians as indicating that the British Government has been persuaded by the present Prime Minister to discredit his succession in favour of that of the Shoa-es-Sultaneh, and I am told that the Russians have further warned him to avoid playing into my hands by any intimacy, and, as his best defence, to be very distant and reserved in all his dealings with me.

My princely informant believed that, though the Valiahd, for the reasons above described, had for the present quite cast in his lot with the Russians, his motives were in no sense political or connected with any real political convictions or sympathies. He mentioned as a proof of this that, when the news of the destruction of the Baltic fleet was confirmed, His Imperial Highness, who had at first been unable to believe it, so great was his faith in the might of Russia, observed to him confidentially, "Well, we must not, of course, say so openly, but, between ourselves, it is a very good thing." This would bear out the view expressed to me by the Nizam-es-Sultaneh, as reported in my despatch No. 72 of the 29th March.

The news that the Persian Government has again borrowed money from Russia is gradually beginning to leak out among the better-informed public, and to give rise to expressions of dissatisfaction. There are rumours which have reached me from two trustworthy sources, but which M. Naus says he does not believe, that after the Shah's departure the Russian Government offered the Grand Vizier a loan of 600,000*l.* secured on the land revenues of the Provinces of Mazanderan and Astrabad, with control at least in the event of default, but that the offer was emphatically declined. The Mushir-ed-Dowleh seems to have been left in total ignorance of the negotiations for the advance of the 500,000 tomans, of which I have kept your Lordship fully informed, and recently refused even to telegraph, at M. Naus' request, to his son, the Persian Minister at St. Petersburg, to inquire of the Finance Ministry as to their progress, fearing this might be a trap set for him by the Shah and Grand Vizier in order to father on him the responsibility for the conclusion by them of an unpopular transaction. He told me, I am inclined to believe quite sincerely, that he had been taken by surprise when he first heard of it as practically settled from M. Naus, since the Shah had directed him to declare to all the foreign Representatives that no money would be borrowed either from Russia or Great Britain in connection with the royal journey, and he intimated to me, somewhat plaintively, that his confidence in the Ain-ed-Dowleh (which was never, I suspect, very great, the two Ministers detesting one another) had now sustained a fresh distressing shock.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 40.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 141.)

My Lord,

Gulahak, June 24, 1905.

I HAVE the honour to report, in extension of my telegram No. 81 of to-day's date, that the Russian Ministry of Finance, as the practical holder of the Resht-

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Tehran, Kazvin-Hamadan, and Julfa-Tabreez-Kazvin Road Concessions, has decided to organize a service of motor-cars for the transport of Russian goods to Tehran; that three such cars (40 horse-power Mercedes ones, so I understand) have already arrived at Enzeli, and that forty more have been ordered to be got ready. Your Lordship may remember that I reported from Tabreez, in my despatch No. 176, of the 20th September last, the intention of the Russian Bank to arrange such a service this summer on the Azerbaijan road as soon as the new railway from Erivan reached Julfa.

The maximum time which these cars will take to land goods in Tehran from Resht will be three days, as compared to ten days now taken by animal transport (mules or camels) and the cost of delivery will be one-third of the present rates.

It is therefore obvious that even if the cars work only on the Russian roads, and if the Sani-ed-Dowleh does not run others in connection with them, say from Tehran to Isfahan, and from Hamadan to Kermanshah, goods brought up in this way to Tehran will be able to reach Isfahan, Sultanabad (via Hamadan) and all the other neighbouring markets in Central Persia in half the time and half as cheaply as they can now do via Ahwaz or Bushire, so that if the scheme succeeds and no counter-move is made on our side, a very serious blow will be dealt at British trade and at the shipping interests connected with it in this country. Russia will, in fact, acquire many of the advantages which would accrue to her from the possession of railways from Resht and Tabreez, without our securing those which we should derive from the right given us by Nasr-ed-din Shah to construct a railway from the Gulf whenever Russia is allowed to construct one from the Caspian or her northern land frontiers.

I reported, as your Lordship may recollect, last year, in my despatch No. 137 of the 24th July, that the Sani-ed-Dowleh, a native magnate, had obtained a monopoly from the Shah for running motor-cars for goods and passenger traffic throughout Persia, and had unsuccessfully endeavoured to obtain financial assistance in connection with this concession from the Imperial Bank of Persia. The Russian Bank, as usual more wideawake and enterprising, appears to have offered the Sani-ed-Dowleh the help refused by its English rival, and has, I understand, overcome any opposition on his part to its project, partly by interesting him personally in it, and partly by pointing out that if he would not fall in with its views it would run its motor-cars in despite of him, as it considered that it could, if it chose, in virtue of its road concession, which is anterior to his monopoly, employ motor-cars, like any other vehicle not propelled by steam on rails, along roads built and worked by it under the Shah's Firman.

It will, I venture respectfully to submit, be necessary for His Majesty's Government to consider what steps should be taken in order to parry the blow which this move on the part of the Russians will, if successful, deal at British commercial interests in Persia. At first sight it would seem that our best course would be to devise some means for competing by a similar organization from the south. The Persian Transport Company might no doubt, under normal political conditions, do this at once by building, instead of the mule-track with which it is playing, a road usable by motors from Ahwaz to Sultanabad, but this course is ruled-out as unpractical by the disturbed state of Luristan, and by the certainty that the Persian Government, without money, troops, or will, cannot hope at any reasonably early date to re-establish its authority over the country between Dizful and Burujird. My idea under these circumstances would be, either to convert the Bakhtiari road into a road usable by motors, a plan which would probably be very difficult and expensive, or to ask the Persian Government, until such date as it can, by pacifying Luristan, enable us to realize our concession, to give, as an alternative, the right to make and work a carriageable road from Isfahan to Shiraz and Bushire, using for the Shiraz-Bushire section, not the present impracticable track over the Kotals, but the easier route via Firuzabad. The Isfahan-Shiraz section could, of course, be made serviceable at comparatively little trouble and expense, the only difficult country being that to the south of the hills near Meshed-i-Murghab.

It is clear that neither the conversion of the Bakhtiari road into one practicable for motors, nor the adaptation for such a purpose of the present Isfahan-Bushire route could be undertaken by the Persian Transport Company with its present very limited resources. If the thing is to be done the Transport Company would have to be fused into a much larger concern, with a capital on a totally different scale, with a Government guarantee, and a Government pledge that the Company so constituted

will, when railways are allowed in Persia, be given the right promised to the British Government by the late Shah, of building an English railway from the Persian Gulf to Tehran. These sound big and rather formidable proposals, and I throw them out rather as hastily extemporized suggestions than as features in a well-considered programme, but I cannot help feeling that if we sit still and do nothing in the presence of this latest attempt of the Russian Government to capture the Central Persian markets, the results to English trade throughout a large area in which it is now dominant or able to hold its own, may prove to be of a very serious character. The matter is at any rate, I think, one which demands early and somewhat careful consideration.

In pursuance of this scheme the Russian Nadejda Transport Company has asked M. Naus to allow Russian goods brought up by the motor-car service to be examined at Tehran and not at the port of landing. His Excellency has, so he tells me, replied that his ability to comply with this request must depend on the security given him that goods conveyed by the motors will not be tampered with between Enzeli and the capital, but will be brought up on the cars duly sealed. If satisfactory guarantees to this effect were afforded he would be willing to consider their suggestion. Experience has shown that the Resht-Tehran road is quite suitable for the employment of such motors, and the Russian promoters of the enterprise hope to have the service in fair working order in the course of the next three or four months.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 41.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 142.)
My Lord,

Gulahek, June 24, 1905.

I HAVE the honour to report that the Azim-es-Sultaneh has been succeeded as Governor of Arabistan by the Salar-i-Moazzam (a nephew of the Nizam-es-Sultaneh), who was formerly Governor of the Gulf ports, and was deputed by the Persian Government, in that capacity, to welcome his Excellency the Viceroy at Bunder Abbas. Though friendly on the whole to British interests, he is timid, and hardly likely to do much towards restoring order in Arabistan, and I have already had to complain to the Persian Government, on Messrs. Lynch's behalf, of his having failed to supply guards for the "Shushan," and interdicted on his own authority the export of food supplies from the district of Shuster.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 42.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 143.)
My Lord,

Gulahek, June 24, 1905.

I HAVE the honour to report that the Mushir-ed-Dowleh has addressed a note to the Russian Minister making representations as to the disturbed state of the Province of Erivan and Transcaucasia generally, and pointing out that it constitutes a danger to the lives and security of Persian subjects.

The Erivan Mussulmans have, in fact, informed their co-religionists at Tabreez that many of them have been killed by the Armenians, and have urged reprisals on the Armenians of Tabreez. The efforts of the Nizam-es-Sultaneh and the chief ecclesiastics of both religions, seconded by the influence of the Consulates-General, have, however, so far succeeded in preserving peace.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 43.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 144.)

My Lord,

Gulahak, June 26, 1905.

I HAVE the honour to transmit to your Lordship herewith copy of a despatch addressed by His Majesty's Consul at Mohammerah to His Majesty's Resident at Bushire, reporting that the Sheikh of Mohammerah has declared his intention of refusing to receive M. Ter Meulen again as Russian Consular Agent at Ahwaz.

M. Ter Meulen is a stout, cheerful, and somewhat combative Dutchman, who is in constant disputes, in relation to trading matters with which he is concerned, with the local authorities and with other business men, and especially Messrs. Lynch. He is on peculiarly bad terms with Haji Reis-ut-Tujar, the Sheikh of Mohammerah's chief adviser, and the threat which he appears to have intended by way of a joke to have Haji Reis poisoned had doubtless been taken as quite real and earnest by the latter.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 43.

Consul McDouall to Major Cox.

(No. 21.)

Sir,

May 27, 1905.

I HAVE the honour to report that I have been informed by Haji Reis Tujar that some time ago the Sardar Arfa telegraphed to the Sadr Azam and to the Minister for Foreign Affairs that if M. Ter Meulen returned to Ahwaz he would not recognize him as Russian Agent, as his overbearing conduct had caused him to be greatly disliked, and he would return no answer to complaints or claims made against him through the local authorities.

The visit of M. Passek to Mohammerah is in this connection: he has personally asked the Sardar Arfa to agree with M. Ter Meulen continuing to act as Russian Agent on his return for a few months until he can replace him, but his Excellency has refused to accept this. It appears that M. Ter Meulen, so he has been informed, told some one that he would bring something from Europe to get rid of Haji Reis Tujar. This is the sort of remark that M. Ter Meulen would make by way of joke; but they insist on it being a sufficient reason for refusing M. Passek's request.

When M. Ter Meulen was agent for Messrs. Hotz, Hamilton, and Co., some trouble was caused by his absolute want of tact and ignoring etiquette in dealing with natives, so that this action of the Sardar Arfa is not to be wondered at, judging from our experience of M. Ter Meulen formerly, particularly after the quarrel between him and Haji Reis Tujar (*vide* Mr. Lorimer's Confidential Diary No. 5, paragraph 13, of the 9th July last). The actual cause of the Sardar Arfa's action was that the Minister for Foreign Affairs at Tehran telegraphed that the Legations of Great Britain, Russia, and Holland had complained that Haji Reis Tujar had forcibly entered premises in the occupation of M. Ter Meulen at Shuster and seized goods there.

If M. Ter Meulen be replaced by a Russian, this Agency might become of more importance than it is at present. Haji Reis Tujar admits this, but asserts that his life would not be safe if M. Ter Meulen returns.

I have, &c.
(Signed) W. McDOUALL.

No. 44.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 147. Confidential.)

My Lord,

Gulahak, June 28, 1905.

HAVING learnt from a confidential source that the Shah had recently ordered the Customs Department to provide lights along the shores of the Persian Gulf, I asked M. Naus this afternoon if he could give me any information on this subject.

His Excellency replied that proposals, first to place buoys and then to erect lighthouses in the ports of the Gulf, had been made to the Persian Government by that of Russia, which had offered itself to undertake the work in the interest of the so-called Russian trade carried on at a loss by the subsidized steamers plying from time to time between Odessa, Muscat, and Bushire. The Shah had refused to let the Russians survey or place buoys in the ports of the Gulf, but had accepted and given orders for the placing of certain buoys offered by the Russian Government and brought out by the Russian "Persian Gulf" steamers. His Majesty had also strongly objected to the construction by the Russians of lighthouses on the shores of the Persian Gulf, but as the Russian Government insisted that in that case Persia must herself at once provide them in the interests of Russian commerce and navigation, he had ordered M. Naus to see to this.

I inquired of his Excellency how he proposed to find the funds for lighting and keeping up lighthouses on so difficult a coast as that of the Persian Gulf. He said that he had told the Grand Vizier that it would be a most expensive business, that if the lighthouses were wrongly placed and foreign ships went ashore in consequence, the Persian Government would have to pay compensation, and that, to judge by his own experience as a former member of the Scheldt River Lighting Commission, the cost of up-keep would be at least 50,000 tomans (about 10,000*l.*) a-year. The Ain-ed-Dowleh had been shocked by these figures, and had declared that the proposal was inadmissible. If the Russians still insisted, the Persian Government would, he presumed, have to place some rough and cheap kind of lights, suspended from poles, at Bushire, Lingah, Bunder Abbas, and the mouth of the Euphrates, but M. Naus evidently regarded the whole proposal as frivolous and merely intended to give the Russians a fresh pretext for asserting a fictitious interest in Gulf affairs.

I asked if the Russian Government had demanded the erection of lighthouses on the Persian coasts of the Caspian, and suggested that a proposal that the British Government should build such lighthouses in the interest of English travellers on the Russian ships proceeding from Baku to Enzeli might, perhaps, be made to him by His Majesty's Legation. His Excellency said that nothing had been done or proposed as regards the lighting of the Caspian coasts, but that the Russians had affected a great interest in lighthouses on those of the Persian Gulf.

Nothing practical will, I suppose, come of the discussion, but it is instructive, and worth reporting to your Lordship as a fresh indication of the gratuitous and systematic meddling of the Russian Government in South Persian affairs, in which it has no real or legitimate interest, and of which the recent establishment of Russian Consulates at Kerman and Bunder Abbas, to be followed, it is said, by the dispatch of a Russian Consul to Lingah, are unmistakably significant illustrations.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 45.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 150. Confidential.)

My Lord,

Lar, July 16, 1905.

I HAVE the honour to report, with reference to my despatch No. 127 of the 10th ultimo, respecting the Russian telegraphists and the extension of Russian telegraphs in Khorassan, that the decision to construct a line to connect Meshed and Kuchan with Kudan and Mohammedabad on the Transcaspian frontier was due to a personal appeal made by the Russian Minister to the Valiahd. M. de Speyer pointed out that, although the permission to construct this line had been granted two years ago, and all the apparatus necessary was already at Kuchan, no steps had been taken by the Ministry of Telegraphs to proceed with the work, and that the machinery was likely to be damaged by further delay. The real reason for the Persian Government's procrastination is, as in the case of the Kuli-Malek-Siah-Seistan connection, the Shah's fear that this line may have political results, and strengthen the influence on his frontier of a neighbouring Power. The Valiahd, however, who, since he has been Regent, has complied with alacrity with almost every Russian demand, gave orders, as soon as he received my Russian colleague's note, that the building of the

line should be immediately commenced. I inclose herewith a translation of the note to the Russian Legation, in which the Mushir-ed-Dowleh acquaints it with the above instruction by His Imperial Highness.

I have, &c.
(For the Minister),
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 45.

Mushir-ed-Dowleh to M. de Speyer.

(Translation.)

Your Excellency,

July 6, 1905.

AFTER your Excellency's note respecting the erection of a line of telegraph between Kuchan and Kudan, and Mohammedabad and Derejez, had been submitted to His Imperial Highness the Valiahd, I was commanded by His Imperial Highness to instruct his Excellency the Mukber-ed-Dowleh, Minister of Telegraphs, to proceed with the execution of this work.

I now acquaint your Excellency, for your information, that his Excellency the Minister of Telegraphs has received, in accordance with this order, urgent instructions to take the necessary steps to give effect to it.

I have, &c.
(Signed) MUSHIR-ED-DOWLEH.

No. 16.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 153.)

My Lord,

Lar, July 17, 1905.

I HAVE had the honour to receive your Lordship's telegram No. 59 of the 15th instant, informing me that the Perso-Baluch Boundary Agreement, concluded by me with the Mushir-ed-Dowleh, was accepted by His Majesty's Government.

I have to-day addressed a note to the Mushir-ed-Dowleh acquainting him with the above fact, and requesting him to communicate copies of the Agreement to the Ministry of Customs as well as to the proper authorities in Baluchistan and Seistan. I have also sent a copy in a private note to M. Naus, so that the necessary instructions to M. Molitor may be issued with as little delay as possible.

I have, &c.
(For the Minister),
(Signed) EVELYN GRANT DUFF.

No. 47.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 157. Confidential.)

My Lord,

Gulahek, July 19, 1905.

I HAVE the honour to transmit to your Lordship herewith the usual Monthly Summary of events in Persia.

I have, &c.
(For the Minister),
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 47.

Monthly Summary, July 18, 1905.

(Confidential.)

Meshed.

It is reported that the new Russian Bank premises, referred to in last summary, will be completed next year, and a Russian engineer with his assistant have arrived

to supervise the works. The special gate in the city wall is now being finished. It is said that it will be guarded by Persian Cossacks and reserved for the use of Russians only, and there is some apprehension lest Takhiabad, where the new bank is situated, should develop into a regular fortified cantonment. Russian subjects are being urged to purchase land in the vicinity.

On the 24th June there was something like a run on the Russian Bank, large numbers of Russian rouble notes being presented for payment. The bank at first exchanged these for Persian silver, but eventually suspended payment. It is said that the scare was caused by warnings from Constantinople against Russian paper money, and that all the merchants of the place are doing their utmost to get rid of their roubles.

A Russian Bank official has left for Sabzawar to open a branch of the bank there.

It is said that more rifles and ammunition have arrived at the Russian Consulate-General, and, owing to these constant reports, the Government of India have telegraphed to His Majesty's Minister here asking him to apply for permission to introduce a reserve of arms and ammunition for His Majesty's Consulates at Meshed and in Seistan. Sir A. Hardinge is making the application, but anticipates some opposition.

A Russian Moslem has been trying to incite his co-religionists against the Armenians. Representations made by Armenians to the Russian Consul-General were met by the reply that if disturbances occurred Cossacks would be sent for from Askhabad. (See also under Tabreez.)

Russian experts in the iron and textile industries have arrived at Meshed, with a view, it is said, of opening factories in Khorassan, and a member of the Russian Finance Department is also expected shortly. A Persian wool-pressing venture is being started at Karez, which, if successful, will intercept the wool trade between Herat and Meshed.

There are reports of a brisk trade in arms from Persian Gulf ports to Afghanistan.

It is rumoured that M. Castaigne, of the Belgian Customs, will retire in the autumn, and be succeeded by M. Molitor from Seistan.

Ahwaz.

His Majesty's Consul at Ahwaz, having reported that strained relations existed between the Sheikh of Mohammerah and the Bakhtiari Khans, owing to land disputes, Sir A. Hardinge wrote to the British Resident at Bushire, pointing out how undesirable such a state of things was, and instructing him to do his utmost to induce them to compose their differences.

The Salar Muazzum, the new Governor of Arabistan, at first seemed to meet with scant respect from the people of his district, the Shushteris having refused to provide quarters for his troops, and beaten his servants; but later reports say that he has dealt with great vigour with the disturbing elements of Shushter, throwing the ringleaders into prison, and generally asserting his authority.

His refusal to supply the proper guards for Messrs. Lynch's steamer "Shushan" led to representations by this Legation, and the Central Government have now instructed him to do his duty in this respect.

The Mohammerah-Ahwaz telegraph line is still not in working order, though there are signs of an attempt to reconstruct it.

Luristan and the country round Dizful are in a continuous state of disturbance.

Serious tribal fights are reported among the Arabs round Hawiza to the west of the Karun.

Kerman.

The troubles of the Governor-General at Kerman, reported in the last summary, still continue in a modified form. Owing to the popular clamour, the Sheikh, who had been appointed Vizier, and the new Deputy Governor, were both forced to resign, and their functions intrusted to a Council of Five, but this concession has not entirely allayed the sectarian agitation, which, having been stirred up for purely political purposes, has now got beyond the control of its instigators. The Orthodox Mullahs preach against the Sheikhis, the Parsees, and incidentally against foreigners, and one of their number, who had been banished from the city for the violence of his preaching, had to be permitted to return owing to the popular clamour. A

The Governor-General (the Rukn-ed-Dowleh, cousin of the Shah), who is now at loggerheads with his dismissed Deputy Governor (Shaheb-ul-Mamalek) over money matters, besides forfeiting popularity by his appointment of a Sheikhi in the first instance and by his liberation of the Parsee assailant of a Mussulman lady, has now lost face by his weakness in dismissing the Sheikhi and in permitting the return of the banished Mullah referred to above in deference to popular agitation.

Further robberies are reported on the road from Kerman to Bunder Abbas.

Tabrecz.

Russian Mussulman agitators established in Tabreez have been trying to stir up their co-religionists against the Armenians by circulating highly-coloured reports of the massacres of Moslems at Erivan. Both the Governor-General and His Majesty's Consul-General drew the attention of the Russian Consul-General to the matter, but he contented himself with administering a mild reprimand to the chief offenders. His apathy has convinced the Persians that the Russians would welcome disturbances in Azerbaijan as a pretext for intervention, and this idea has done much to keep the Moslems quiet.

Shiraz.

The Persian Government have also complained to the Italian Legation of the conduct of an Italian Jew named Veneziani. I understand that this man has also previously given trouble to the Italian Legation.

Seistan.

It is rumoured in Birjand that the Russian Bank intend to open a branch there.

The squabble over the Governorships of Seistan and Kain (see Sir A. Hardinge's despatches to the Foreign Office, Nos. 89 and 122, Confidential) still continues. The Yamin-i-Nizam, Persian Representative on the Seistan Boundary Commission, has now entered the lists against the Hashmet-ul-Mulk, and cautioned the Persian Government against permitting his return. The Yamin at the same time tendered his resignation, which was refused. He wishes to travel to India, Japan, America, and so to London.

Captain Macpherson, His Majesty's Consul for Seistan and Kain, left Nasratabad on the 13th June with the intention of making a tour in his district. He is leaving a British telegraph signaller at Birjand, authorizing him, with the approval of His Majesty's Minister and the Government of India, to perform the duties of Inspector on the lines adopted by the Russians.

Kermanshah.

The Firman Firma has succeeded in capturing by treachery Mir Haji Khan, an influential Chief of the Direhwand Lurs. He announced this capture with a great flourish to His Majesty's Consul, who has, however, been obliged to reply that the Chief in question is not on the list of those "wanted" by His Majesty's Government for the outrage on Colonel Douglas and Mr. Lorimer.

PRINCIPAL Matters dealt with in separate Despatches.

Tehran.

[1571]

there murdered after the ancient Roman fashion by having his veins opened in a bath. The executioners lured away the Princess Ezzet-ed-Dowleh by telling her that they were charged with secret messages pregnant with good news which could only be delivered to her husband in the strictest privacy, but she never forgot the cruel deception which had been practised upon her. Naser-ud-Din Shah repented, when it was too late, of the slaughter of his trusty Minister, and tried to expiate it by marrying his heir apparent to a daughter of the murdered Vizier and of Ezzet-ed-Dowleh, another daughter being given in marriage to his eldest son, the Zil-es-Sultan, but the heir apparent's bride, though she received the title of Omm-ul-Khaghan (mother of the Sovereign), evinced so irresistible a repugnance to her husband that, although she bore him a son, the present Valiahd, doubts were freely expressed as to whether the young Prince who, in physical appearance, is very unlike the Kajars, was really his putative father's son, and soon after his birth his mother obtained a divorce by threatening her husband—the present Shah—that, if he refused to grant it, she would poison him. She subsequently married two other husbands, the second of whom, Haji Nasir-e-Sultaneh, lately died not without suspicion among the common people of poison, strange symptoms having appeared in him shortly after a lunch of which he partook as a guest of his Imperial stepson.

The Princess Ezzet-ed-Dowleh also had four husbands after her murdered Prime Minister, and was regarded by all who knew her as a woman of considerable strength of character. The immediate cause of her death at the ripe age of 85 was uremia, for which she was treated by Dr. Scott, Acting Physician to His Majesty's Legation. Her obsequies were celebrated at Eshretabad, a royal palace just outside Tehran, on the 30th June, and His Majesty's Minister delivered to the Valiahd, who held a reception on this occasion of the Diplomatic Body, the condolences of His Majesty the King, for which his Imperial Highness expressed his profound gratitude. The ceremony was marked by a good deal of confusion: the removal of the coffin being accompanied by the playing of the well-known tune, "John Brown's body lies mouldering in the grave, while we go marching on," which appears at first sight hardly a reverent or suitable melody in the case of an Imperial funeral.

Considerable alarm has been created among the Armenian population of Tehran by the possibility that reprisals may be inflicted in Persia by the Moslems for the outrages committed on the Mahommedans of Erivan by Armenian revolutionists during the recent disturbances in the Caucasus. It would appear that in Erivan for a time the Armenians got the better of the Mussulmans, and that the latter telegraphed to their co-religionists in Persia, urging them to avenge their wrongs on the Armenians of Tabreez, Tehran, and other Persian cities. The Mushir-ed-Dowleh, alarmed by the reports which he received from the Persian Consuls in Transcaucasia, sent for the leading men of the Armenian community in Tehran, and begged them to use their influence with their countrymen in Russia to prevent further riots and massacres which might react upon Persia. His Excellency also telegraphed to the Catholicos at Etchmiadzin, appealing in the same sense to his Holiness, and instructed the Persian Consuls at Tiflis and Baku to their utmost to restrain the Moslems. Some of the principal Armenians in Tehran indirectly approached the British Minister, in order to obtain the co-operation of the British Legation with the Ulama, both in Persia and Mesopotamia, in order to restrain any outbreak of Mahommedan fanaticism, and it was evident from their language that they were profoundly distrustful of the willingness of the Russian authorities to bring influence to bear on the rival faction with a view to the preservation of peace. Sir A. Hardinge expressed his readiness to act in the above sense, provided the heads of the Armenian community would formally request his assistance, but advised them to work with the Persian Government in impressing on their Russian co-religionists the danger to Persian Armenians of a religious war between Christians and Mussulmans in the Caucasus. The steps taken both by the Persian Government and the Chiefs of the Armenian Church in Persia would appear so far to have been successful, and no disturbance of the peace by either faction has up to the present occurred in Persian territory.

The Persian Minister at St. Petersburg has reported that he has represented to Count Lamsdorff the objection of his Government to the dispatch of Cossacks to Meshed, Count Lamsdorff replied that he would consider the question, and that if he were satisfied that no danger existed to Russian subjects in the capital of Khorassan he would be prepared to withdraw the Cossack detachment dispatched there in consequence of the recent outbreak.

(Signed) G. J. KIDSTON.

No. 48.

India Office to Foreign Office.—(Received August 5.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Brodrick, forwards herewith, for the information of the Secretary of State, copy of a letter to the Admiralty, dated the 2nd August, relative to the action to be taken by His Majesty's Government in the event of Russian encroachment in the Persian Gulf.

India Office, August 4, 1905.

Inclosure in No. 48.

India Office to Admiralty.

Sir,

India Office, August 2, 1905.

I AM directed by Mr. Secretary Brodrick to acknowledge receipt of your letter of the 1st ultimo, transmitting a copy of Vice-Admiral Atkinson Willes' letter of the 24th May last, relative to the action to be taken by His Majesty's ships in the event of Russian encroachment in the Persian Gulf.

In reply, I am to say that Mr. Brodrick has nothing to add to the views expressed in Sir Thomas Sanderson's letter to the Lords Commissioners of the Admiralty of the 21st ultimo, in which he concurs.

I am, &c.
(Signed) A. GODLEY.

No. 49.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 5.)

(No. 96.)

(Telegraphic.) P.

Tehran, August 5, 1905.

SHAH'S visit to Russia. My telegram No. 91.

I am informed by the Mushir-ed-Dowleh that the Shah will be officially received by the Czar at Peterhof, and I am told that 26th August will be the date of the interview.

No. 50.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 117.)

Sir,

Foreign Office, August 8, 1905.

WITH reference to your despatch No. 141 of the 24th June last, on the subject of the proposal of the Russian authorities to organize a service of motor-cars on the north roads of Persia, I transmit to you herewith copy of a letter from the Board of Trade on the subject.*

I shall be glad to be informed whether you can suggest any means of giving effect to the proposal put forward in this letter.

I am, &c.
(Signed) LANSDOWNE.

No. 51.

The Marquess of Lansdowne to Sir A. Hardinge.

(No. 121.)

Sir,

Foreign Office, August 12, 1905.

THE Persian Minister spoke to me again to-day upon the subject of the proposed Persian Loan, and made the following statement to me with regard to it:—

"The Persian Government having been in need of a small loan, had desired to obtain it from the Imperial Bank of Persia at once and without any conditions being attached to it, but certain legal obstacles had prevented the Bank from acceding to their request. His Majesty's Government, with the object of facilitating matters, had proposed to give the loan without attaching to it any new conditions; they had, however, proposed two conditions, the second of which could not but prove prejudicial to the object in view.

"You had on previous occasions discussed the question raised in this second condition with the Amin-es-Sultan, M. Naus, and the Sadr Azam, and the subject had been cursorily brought to the knowledge of the Shah. The Sadr Azam considered, therefore, that it would be proper and advisable that, for the present, this second condition should not be attached to the loan, but that it should be fully submitted to the Shah, and later, when His Majesty had returned to Tehran and there was more time for discussion, it might be made the subject of an arrangement."

I told the Ala-es-Sultaneh that it was absolutely impossible for me, without further reference to the Cabinet, to vary the conditions which they had attached to the transaction. The omission of the second condition was, therefore, in my opinion, out of the question. The Minister asked me whether, if the second condition were to be complied with, I thought a larger amount might be advanced—say, 200,000*l.* or 300,000*l.* instead of 150,000*l.* I said that my colleagues might possibly consent to make the amount 200,000*l.* if their conditions were complied with.

The Minister also asked me whether I could tell him what was the engagement of October 1897, referred to in your despatch of the 30th August, 1904. I promised him that I would look up the point. He also left with me the translation of a note, undated, said to have been addressed by the Mushir-ed-Dowleh to you upon the subject of the interpretation of the words "Customs of Fars and of the Persian Gulf." The Minister asked me whether we were aware of the existence of this note. I promised that I would make inquiries upon the point.

The Minister went on to speak of the Ahwaz Dam, the cost of which, he said, had been estimated at 10,000,000 toman. The Sadr Azam's idea was that this dam should be constructed by means of Persian and British capital, and thought a Company composed of Persian and English capitalists should be formed. His Royal Highness desired to know what I thought of this proposal. I asked the Minister whether he knew of any British capitalists willing to undertake such an operation. He said that he did not, but supposing that such capitalists were to be found, he would like to know whether we would give them any encouragement. I said that he must no doubt be aware that it was not our custom to assume any responsibility in such cases, or to offer any guarantees, but that if an inquiry were addressed to us we should certainly make no secret of our satisfaction that British financiers should have a share in so important a work.

I am, &c.
(Signed) LANSDOWNE.

No. 52.

Sir N. O'Connor to the Marquess of Lansdowne.—(Received August 14.)

(No. 531.)

My Lord,

Therapia, August 4, 1905.

WITH reference to your Lordship's despatch No. 422 of the 8th December, 1904, and to previous correspondence respecting the murder of the Sheikh Selman and other Bahreinese by members of the Behaiih tribe,* I have the honour to report that I have received communication through the Dragomanate of the translation of a despatch

* In Mr. Lamb's No. 243, August 2, 1905.

which the Minister of the Interior has addressed to the Minister of Foreign Affairs, in reply to the Memorandum handed to Tewfik Pasha on the 20th October last, as reported in Mr. Townley's despatch to your Lordship No. 832 of the 26th of that month.

The despatch of the Minister of the Interior, copy of which in translation I herewith inclose, gives a summary of the contents of a despatch from the Vali of Bussorah and of the detailed report furnished by the Mutessarif of Nejd, who had been instructed to conduct investigations in the Kaza of Katif, and also to make inquiries in other quarters.

This Report merely recapitulates the information already supplied by the authorities of Nejd, viz., that the motive of the murder was revenge for the death of the son of Rashid-bin-Mekiarhi, one of the chief men of the Behaiih tribe, who was killed on the island of Bahrein, and that all the persons known to have taken part in the attack on Sheikh Selman's party, to the number of thirty-seven, including all the six persons specified by His Majesty's Embassy as having been among the participators in the affair, have been killed in various encounters with the Turkish troops or other tribes.

The Report again draws attention to the material difficulties in the way of any attempt being made by the Turkish authorities to recover blood money or compensation from the Behaiih, and concludes by asserting that of the fifty individuals who are stated by His Majesty's Government to have participated in the murder, thirty-seven have been accounted for, including the six persons specifically named, and that unless His Majesty's Embassy can produce further evidence with regard to the guilt of the remainder, and more detailed information to lead to their identification, it is not in the power of the local authorities to take any further action.

I have, &c.
(Signed) N. R. O'CONOR.

Inclosure in No. 52.

Ministry of the Interior to Ministry for Foreign Affairs.

(Translation.)

July 27 (10), 1905.

A DESPATCH has now been received from the Vali of Bussorah, inclosing copy of a detailed Report from the Mutessarif of Nejd, in which it is stated that, according to the investigations undertaken in the Kaza of Katif, in which it is stated that, according to the investigations undertaken in the Kaza of Katif, to which district the place which was the scene of these events belongs, and to various other inquiries which have been instituted, it has been ascertained that Rashid-bin-Mekiarhi, one of the chief men of the El Bejaij (Behaiih) tribe, having gone with his son (Mohammed) to (the coast opposite) Bahrein, while they were pasturing their camels in that neighbourhood, the said Mohammed was killed by Bahreinese. His father, Rashid-bin-Mekiarhi, made repeated applications to Sheikh Issa, of Bahrein, and to his relatives and dependents, demanding the blood of his son, but he was himself eventually driven out, and forced to fly from there, and, on his return to his own tribe, he strove to incite them to take their revenge for this deed. Subsequently to this, Sheikh Selman, one of the Sheikhs of Bahrein, with a number of followers, crossed over to the desert, where this tribe happened to be, on a hunting expedition. Rashid got news of their presence, and went at nightfall with a number of his people, and the incident in question took place.

The persons whose names are given by the Embassy as having been amongst the participators in this affair amount to six, of whom Rashid-bin-Mekiarhi and Rashid-bin-Dewaris were slain in the affair itself, while Mohsin-bin-Dewaris also died subsequently from the effect of wounds received there.

Previously to this Mutib-el-Munnakhur, having encountered Sheikh Ahmad, a brother of Jasim-et-Thani, the Kaimakam of Katif, as he was on the road to Ahsa, was killed, in consequence of a long-standing enmity between them.

Coming to Mohsin and Talib, these two likewise fell amongst the eight relatives of Rashid-bin-Mekiarhi, their maternal uncle, who were slain later on in another encounter.

Hassan Sheremit and Mohammed-bin-Nejdan, and Teritor also, who belonged to the Bejaij, and were amongst the participators in the slaughter of Sheikh Selman and his companions, and with them likewise Ali-bin-Menakib, Abu Mekiarhi, Hassan-abu-Katife, Hadif-bin-Teitab, and the two sons of Ritban-bin-Mekiarhi, named Mohammed

and Mohsin, all belonging to the Bejaij tribe, and implicated in the same affair, were slain by the Imperial troops in the course of an encounter which took place in a locality named Zernouka.

Other Bejaij tribesmen, Hamid-abu-Menakib, his son, Ali, Rashid-bin-Mohammed-bin-Subjit, Ali-bin-Mohammed-bin-Zeile, and Sulieman-bin-Diakj, as well as Abdullah-bin-Abdullah, of the A'-farfars section of the Al-Bejaij, fell in encounters that took place during the pursuit instituted by the late Tabour Aghasi Ali Agha. Still other leading members of the tribe, who are credibly reported to have taken part in the affair in question, viz., Hamid-el-Mohama, Mohammed-bin-Nassir-bin-Berejik, Nedjib-es-Soan, Mohammed-bin-Nedjib, and his son, Rashid, Bin Hayya, and Hamid-el-Mohsen, were slain in an encounter which took place with the Adjman tribe on the 28th Zil Hidje of last year at a place named El Jauf.

Abdullah and his brother Mohsin, belonging to the Al Douma section of the Bejaij, with Jaaber-bin-Said and his nephew, Ali-bin-Said, of the Al Ghatman section, were killed in an encounter which took place between them and a military detachment which had been dispatched from the chief town of the sanjak in the direction of Ojeir.

Accordingly, the thirty-seven persons named above, who are shown by official investigation to have been implicated in the incident complained of (and who include all the six indicated by the Embassy as having participated in it) are proved to have been killed at various times and places. Neither the Embassy nor the local authorities have any information as to who, besides these thirty-seven, were concerned in the affair.

As to the three persons whose execution is demanded by Sheikh Issa, it cannot be understood who they are, and obviously no action can be taken against unknown individuals. The Bejaij are essentially a desert tribe, having no property or possessions of any sort, so that, whatever pressure may be exercised upon them, it will be impossible to exact from them the blood-money or compensation demanded.

Even if efforts be made to pursue the tribe itself on account of this business, as they conceal themselves in the Hejaz and the sandy wastes of Nejd, it will be impossible to get hold of them.

With regard to the declaration that the Sheikh of Bahrein might settle this matter locally, without having recourse to the intervention of the Imperial authorities, if the Sheikh's intention in this respect be to enter into correspondence with the Bejaij with a view to disposing of the difference between them, and effecting a composition amicably, it is obvious that the Imperial Government could not be backward in affording every possible assistance. If, on the contrary, it be to bar their access to Bahrein by means of the neighbouring tribes, and to make reprisals, and incite them to kill them, then he will not only be kindling the flames of disorder, and giving rise to a most undesirable state of affairs, rife with difficulties and objections, but he will also be interrupting intercourse between Bahrein and the desert, and inflicting most serious injury on local trade.

The Report concludes by pointing out that, when it is claimed that the persons implicated in the murder of Sheikh Selman and his companions numbered no less than fifty, but only six of these could be specified by name, no further objection can be raised in face of the declaration of the Imperial Government that thirty-seven persons, ascertained to have been participators in the incident, have been slain.

If, however, the previous declarations are persisted in (by the Embassy) it will be necessary to specifically indicate the guilty persons, to prove their complicity and the degree of their culpability, and then, under the justice-protecting influence of His Imperial Majesty, no effort will be spared in the zealous endeavour to meet the requirements of justice accordingly.

No. 53.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 17.)

(No. 97.)

(Telegraphic.) P.

Gulahek, August 17, 1905.

HIS Majesty's Consul-General at Meshed telegraphs as follows:—

"Seventeen Russian Cossacks, under the command of an officer and bound for Meshed, have already passed Kuchan.

"They forced their way past the customs barrier with a waggon which the Kuchan Customs Director believes to contain arms and ammunition. Documentary proof of this is in my possession."

I am addressing an inquiry to the Persian Government as to what steps they intend to take in the matter.

No. 54.

India Office to Foreign Office.—(Received August 21.)

WITH reference to this Office letter of the 28th June, the Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Brodrick, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 19th August, relative to the violation of the Persian frontier by Russian Cossacks.

India Office, August 21, 1905.

Inclosure in No. 54.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

August 19, 1905.

SYKES telegraphs from Meshed, on the 16th instant, as follows:—

"Party consisting of Russian officer and seventeen Cossacks has already passed Kuchan *en route* for Meshed.

"They have forced customs with a waggon, which Director of Customs at Kuchan believes to contain arms and ammunition. Documentary proof of this is in my possession."

We recommend that the warning suggested in our telegram of the 22nd June should be communicated instantly to the Persian Government, and that action should be taken upon it if necessity arises.

(Repeated to Tehran.)

No. 55.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 21.)

(No. 98.)

(Telegraphic.) P.

Gulahek, August 20, 1905.

FOLLOWING repeated to India:—

My telegram No. 97 of the 17th August.

In reply to the remonstrances of the Mushir-ed-Dowleh, the Russian Legation profess ignorance of any increase in the numbers of the Meshed Cossack guard.

Instructions have been sent by the Mushir to the Persian Minister at St. Petersburg to expostulate with Count Lamsdorff, and the news has been telegraphed to the Grand Vizier.

In the note addressed by the Russian Minister to the Persian Government, "further measures" were threatened if Persia continued to evade the claims advanced by Russia on account of the Meshed riots (see inclosure in my No. 165 of the 29th July).

Perhaps this latest move of the Russians is intended to frighten the Persian Government into a settlement.

The Mushir has been warned by me that a corresponding increase of our guards may be the result of it.

The Russian detachment, Persian Government have been informed, forced their way by violence past the frontier Customs barriers.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 21.)

(No. 99.)

(Telegraphic.) P.

Gulahek, August 20, 1905.

FOLLOWING repeated to India:—

My despatch No. 108 of the 17th May.

Persistent rumours are current here to the effect that during the visit of the Shah to Peterhof, an effort will be made to obtain from him a fresh extension of the railway agreement in return for further financial assistance. The present Grand Vizier, whose tendencies are ultra-conservative, has probably no great desire to inaugurate the railway era in Persia, and the Russian advances would be very tempting to the Shah. Would your Lordship think it advisable to send, through His Majesty's Embassy in St. Petersburg, a warning to the Grand Vizier that such an arrangement would be very prejudicial to Persia, and that we might even consider it unfriendly to our interests? I cannot feel sure that the Mushir-ed-Dowleh would transmit my message or I might, of course, say something of this kind to him.

I am informed that the Russian Financial Agent here is at present with the Persian Court in Europe.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 21.)

(No. 100.)

(Telegraphic.) P.

Gulahek, August 20, 1905.

FOLLOWING sent to India:—

Your telegram No. 3183 East Africa. Original concession to the Bank will enable us, I think, to claim exclusive rights for running motor-cars on the Persian Transport Company's roads, as far as Kum at any rate. A certain leverage in dealing with the Sani-ed-Dowleh would thus be assured to us, but if we could maintain substantial concessions from him in return, I should not be disposed to insist upon our monopoly, since a rival road might possibly be opened to Kum via Pik and Save, if we were to do so.

The situation is chiefly due to the fact that Russian road enterprise is ahead of ours, and the Persian Government are in no way responsible or to blame for it.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 22.)

(No. 101.)

(Telegraphic.) P.

Gulahek, August 22, 1905.

OUT of the eighteen Cossacks just arrived at Meshed, seven are said to be a relief for Kerman.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received August 22.)

(No. 103.)

(Telegraphic.) P.

Gulahek, August 22, 1905.

FOLLOWING sent to India and repeated to Meshed:—

"My telegram No. 137 of the 9th August. Strenuous efforts are being made by the Russian Minister to secure the rejection of the Water Award by the Persian Government. Two notes on the subject have been addressed by him to the Valiahd. In these he demands the dismissal of the Mustensir and the Yamin-i-Nizam, on the ground that they have betrayed Persian interests to the English, and specially attacks the proposal to appoint an irrigation officer.

"The Valiahd has agreed to inquire into the charges of corruption brought against the Yamin, and is sending a Commissioner for the purpose."

India Office to Foreign Office.—(Received August 25.)

Sir,

India Office, August 24, 1905.

I AM directed by Mr. Secretary Brodrick to inclose, for the information of the Marquess of Lansdowne, a copy of a letter from the Government of India, transmitting Colonel A. H. McMahon's final Report on the proceedings of the Seistan Arbitration Mission.*

Subject to Lord Lansdowne's concurrence, Mr. Brodrick proposes to instruct the Government of India to convey to Colonel McMahon the cordial appreciation of His Majesty's Government of the valuable services rendered by him and by the officers and others attached to the Mission during the past two and a-half years.

The names of the officers whose services are specially brought to notice by Colonel McMahon are stated in the margin of the letter from the Government of India to Colonel McMahon of the 15th July last, paragraph 6.

I am, &c.

(Signed) HORACE WALPOLE.

India Office to Foreign Office.—(Received August 26.)

Sir,

India Office, August 24, 1905.

I AM directed by Mr. Secretary Brodrick to acknowledge Mr. Villiers' letter of the 16th August, relative to the murder of Bahreinese by the Behaih tribe.

In reply, I am to say that Mr. Gaskin, in his Report,† denies the truth of the statement that the principal actors in the outrage on Sheikh Selman have been killed by the Turks. It appears, however, to Mr. Brodrick that it is useless further to press the Turkish Government to bring the Behaih to justice. The Government of India have been informed that His Majesty's Government do not desire to place any further restrictions on the Sheikh of Bahrein's liberty of action, provided he does not attack the Behaih while they remain in territory recognized as Turkish, and the moment when an intimation in this sense should be made to the Sheikh has been left to their discretion. The Turkish Government have also been warned that His Majesty's Government could not reasonably continue to restrain the Sheikh from taking the matter into his own hands.

In these circumstances Mr. Brodrick does not think it necessary for His Majesty's Government to take any further action in the matter at present.

I am, &c.

(Signed) HORACE WALPOLE.

Foreign Office to India Office.

Sir,

Foreign Office, August 28, 1905.

I AM directed by the Marquess of Lansdowne to acknowledge the receipt of your letter of the 25th instant, transmitting copy of Colonel A. H. McMahon's final report on the proceedings of the Seistan Arbitration Mission.

Lord Lansdowne entirely concurs in Mr. Secretary Brodrick's proposal to instruct the Government of India to convey to Colonel McMahon the cordial appreciation of His Majesty's Government of the valuable services rendered by him and by the officers and others attached to the Mission during the past 2½ years.

I am, &c.

(Signed) E. GORST.

* Not printed.

† Inclosure 7 in India letter of August 11, 1904.

No. 63.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received August 31.)

(No. 105.)

(Telegraphic.) P.

Gulahek, August 31, 1905.

FOLLOWING repeated to India:—

"Sir A. Hardinge's despatch No. 163, Confidential. I was asked yesterday by the Mushir-ed-Dowleh whether His Majesty's Government would consent to withdraw their Indian guards from Persia in the event of the Russian Government withdrawing their Cossacks. In reply I said that I thought it unlikely, but if a brigade commanded by British officers and non-commissioned officers, similar to the Cossack Brigade, were established at Tehran, it was conceivable that His Majesty's Government might take the matter into consideration. I was pressed by the Mushir to refer the matter to your Lordship, and ask that an early reply might be sent.

"In view of the increasing insecurity in Persia, I venture to submit that it would be extremely undesirable to withdraw our guards.

"The recent unexpected arrival of seventeen Cossacks with ammunition at Meshed has much alarmed the Persian Government."

No. 64.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 159. Confidential.)

My Lord,

Lar, July 22, 1905.

I HAVE the honour to transmit copies of despatches which have passed between His Majesty's Consul-General in Tabreez and myself respecting the continued protection by the former of United States' interests in Azerbaijan.

The immediate cause of Mr. Wratislaw's desire to be relieved of his duties as regards American citizens—a proposal which, as your Lordship will observe, I have ventured to deprecate—is the attitude of my United States' colleague in the matter of the Majid-es-Sultaneh. This attitude is not entirely unnatural in the case of a gentleman of Mr. Pearson's diplomatic antecedents. He has spent a long career, partly as an American politician and partly as a diplomatist and Consul in Western Europe, whilst the interests with which he has to deal here are not sufficiently numerous to afford him any real experience as to Persian methods or the means of meeting them. I was not, therefore, so surprised as I might otherwise have been at his observing that he could no more intervene on behalf of the Majid-es-Sultaneh than Sir Mortimer Durand could remonstrate with President Roosevelt, should the latter deal harshly with General Miles, and I hope to be able without his co-operation to arrange the Majid-es-Sultaneh's affairs. The Valiahd has, in fact, sent me a message through the Mushir-ed-Dowleh to say that if the Majid-es-Sultaneh will leave sanctuary and come to Tehran he will himself give him a good appointment here. The Majid-es-Sultaneh, however, distrusts His Imperial Highness' promises, and suspects that if he puts himself in his power some charge, unconnected with his share in the Urmia affairs, will be trumped up against him and supported by false witnesses, as soon as a decent lapse of time has expired, and he is therefore pleading for permission, on the ground of the state of his health, which is, I believe, not good, to go to Europe for a time. The Nizam-es-Sultaneh has supported these representations, and it is to be hoped that they may eventually prove effective.

I may add, with reference to the concluding passage in my despatch to Mr. Wratislaw, that the warm support given by the American missionaries to the Majid-es-Sultaneh has not predisposed Mr. Pearson to view the latter's claims with special favour. A succession of trivial incidents, originating in his having offended the sabbatarian prejudices of these missionaries, who belong to the Presbyterian Church, by making his official entry into Tehran on a Sunday, has produced an acute tension between them. They have made unsupported personal charges against him to the President and have asked for his recall. He, on his side, has broken off all but strictly official relations with them, going so far as to attend divine service, not, as he did formerly, at the American, but at the French Roman Catholic chapel. He has, moreover, been legitimately offended by the action taken by the American missionaries at

Urmia, who held a meeting, at which resolutions scarcely concealing their disapproval of official action taken by him under orders from Washington were publicly moved and carried. He has therefore, in his dealing with the Urmia affair and all its consequences, adopted the system of being guided solely by the explicit instructions of his Government, and declining to attach any great weight to the suggestions which constantly reach him from missionary sources in Azerbaijan.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 64.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 31.)

Sir,

Tabreez, July 9, 1905.

I HAVE the honour to request that your Excellency will be so kind as to obtain the permission of His Majesty's Secretary of State for Foreign Affairs for me to renounce the protection of United States' interests in Azerbaijan, as I feel that I am unable to remain in charge of them either to my own satisfaction or to the advantage of the British interests intrusted to me. Your Excellency is aware that, owing to his straightforward conduct in an American affair (the case of the murder of Mr. Labaree, a United States' citizen of Urmia), Majid-es-Sultaneh has been exposed for a year past to the vindictive persecution of the Valiahd, and that he finally sought asylum in the British Consulate-General at Tabreez. Although no British interest was involved, beyond, of course, the prestige of the British Consulate-General, your Excellency has most kindly exerted yourself with a view to obtaining for the Majid-es-Sultaneh the permission to leave Persia which he desires; but, in response to my earnest appeal for support, the United States' Minister coolly informs me that "the manner in which the Persian Government treats one of its subjects presents a question with which I have not felt justified in interfering; it is an internal and not an international question," entirely ignoring the difficult position into which I have been forced by my efforts on behalf of the safety of the United States' citizens at Urmia. His Excellency, I regret to note, has no idea that the services I have rendered to the United States' Government and the protection which its citizens gladly recognize that they have received in time of need, both from myself and my predecessors, entail any corresponding obligation of support from the United States' Legation, and under these circumstances I am naturally anxious to sever the connection as soon as possible. It will be difficult for me in future to bestir myself on behalf of any United States' interest, knowing, as I now know, that the United States' Legation cannot be relied on to back me up in case of need.

Apart from this personal question, it is probable that British interests suffer from the dual functions of the British Consulate-General, as we incur the odium of any friction with the Persian authorities arising through United States' affairs. This same Labaree case has unavoidably rendered my relations with the Valiahd less friendly than they might otherwise have been, and in view of the large number of United States' citizens in Azerbaijan, and the extent of their missionary interests, similar causes for misunderstanding may occur again at any moment. It is, in fact, high time that a United States' Consul should be appointed to look after United States' interests, and that the British Representative should be allowed to confine his energies to the execution of his legitimate functions.

I have, &c.

(Signed) A. C. WRATISLAW

Inclosure 2 in No. 64.

Sir A. Hardinge to Consul-General Wratislaw.

(No. 16.)

Sir,

Gulahek, July 22, 1905.

I HAVE received, and am forwarding to His Majesty's Secretary of State for Foreign Affairs, your despatch No. 31 of the 9th instant, in which you ask to be relieved of the duty of protecting United States' interests in Azerbaijan. The main ground for your application is, I understand, the refusal of the United States' Minister at Tehran to support you in protecting the Majid-es-Sultaneh from the persecution at the hands of the Valiahd to which his services to American interests have exposed him.

Your application is one for the decision of the Marquess of Lansdowne alone, but my personal opinion is that it would be advisable for you to continue for the present to protect American interests and citizens in Azerbaijan, even though this may occasionally render your relations with the local Persian authorities more difficult, and although you may not always receive from Mr. Pearson the support to which you deem yourself entitled. My reasons for this opinion are as follows:—

1. The tension with the Valiahd, which has resulted from, or at least been intensified by, the Urmia incidents, will not be relieved by your disassociating yourself at the present juncture from American interests. On the contrary, a complete and satisfactory settlement of the Urmia question is more likely to be attained if, whatever private differences of opinion as to details may exist between the United States' Legation and yourself, the British and American Governments continue to appear to act absolutely in common, and thus to represent the common interests of their respective missions at Urmia. If the Valiahd thought that his action had had the effect of dividing us, he would be justified in congratulating himself on a diplomatic triumph and in harassing the Majid-es-Sultaneh a good deal more boldly than he has as yet done. The latter officer's case will, I hope, be settled to his satisfaction by the joint efforts of the Nizam-es-Sultaneh and myself, and although I may regret that the United States' Minister has not seen fit to associate himself with the defence of this particular American interest, the fact that the Majid-es-Sultaneh has sought refuge in the British Consulate-General affords us the necessary basis for action. Nor is Mr. Pearson's assistance indispensable. An open difference on the subject of the Majid-es-Sultaneh between the United States' and British Legations would, moreover, be welcomed by the Russians. They would be able to point to it as proving the truth of their assertions to the Valiahd that all the trouble experienced by His Imperial Highness is due to British, not American, action.

2. On broader political grounds it appears to me very desirable that the cordial relations of the two great Anglo-Saxon communities should be emphasized wherever possible in foreign countries by the reciprocal protection of one another's interests, even at the cost of a little annoyance and trouble to the local officer on whom this duty may fall. In the East especially this principle has of late years been very generally recognized, and it would be, I think, a misfortune if, owing to a difference of opinion between Mr. Pearson and yourself, the protection of American interests in Azerbaijan were to devolve even provisionally upon the French Consul-General at Tabreez. As provision would have to be made by a vote of Congress for an American Consulate, it would be almost inevitable that, until such provision has been made, another of the foreign Powers represented at Tabreez should undertake the protection of the American missionaries renounced by the British Government; for it would be difficult to detach one of the American Consuls on the Turkish side of the frontier, as was done in the case of Dr. Norton, for more than a comparatively brief period or to obtain from the Persian authorities the recognition of an American missionary as Acting Consul.

3. As a matter of fact, the establishment of a United States' Consulate in Azerbaijan is, so I understand from Mr. Pearson, at this moment under consideration at Washington. But for the reasons given in the last preceding paragraph of this despatch, namely, the necessity of sanction by Congress, the new Consul, assuming that it is decided to appoint him, can hardly enter upon his duties for another year. There is therefore every probability that the objections felt by you to the continued protection of American interests will, before very long, settle themselves without any outward show of friction, and it is clearly desirable, under these circumstances, that we should patiently await this natural solution of the difficulties to which your despatch refers.

I may mention that I have explained to Mr. Pearson, as discreetly as I could, without appearing to inflict advice on a colleague, my reasons for thinking that he might very properly join with me in supporting the Majid-es-Sultaneh. Mr. Pearson, however, who is new to the Mussulman East, judges these questions by exclusively Western, as opposed to Oriental, standards, and holds, moreover, that in an internal matter of this kind he can take no action without direct instructions from Washington. You are also aware of the personal relations which subsist between him and the American missionaries both here and in Azerbaijan, and which have led him, not without justification, to accept statements coming from Dr. Cochrane or other missionary sources with a certain amount of reserve.

I am, &c.
(Signed) ARTHUR H. HARDINGE.

No. 65.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 160. Confidential.)

My Lord,

Gulahek, July 25, 1905.

I HAVE the honour to transmit herewith a copy of a despatch from His Majesty's Acting Consul-General at Isfahan, reporting that the Zil-es-Sultan has been asked to join in a movement for bringing about the *de facto* abdication of the Shah.

The view expressed by His Imperial Highness that this scheme was really directed against the Ain-ed-Dowleh seems worthy of credence.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 65.

Acting Consul-General Aganoor to Sir A. Hardinge.

(No. 33. Confidential.)

Sir,

Isfahan, July 15, 1905.

I HAVE the honour to inform you that on the 10th instant His Imperial Highness the Zil-es-Sultan told me that he had received a communication from Tehran asking him if he would join others in Tehran to propose to the Shah to stay, on account of the state of his health, permanently in Europe, receiving there the same allowance as he gets here, abdicating practically in favour of the Valiahd.

His Imperial Highness laughed at the idea of his joining with them in making such a proposal, saying he was not so stupid.

The Prince then added that he did not think that these people were serious, but simply wished to give the Shah to understand that if he intended returning to Persia with the Sadr Azam he had better stay where he was. It is, according to the Prince, really a move against the Ain-ed-Dowleh.

I have, &c.
(Signed) P. AGANOOR.

No. 66.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 161.)

My Lord,

Gulahek, July 26, 1905.

I HAVE had the honour to receive your Lordship's despatch No. 103 of the 10th instant, transmitting copy of a letter from the Euphrates and Tigris Steam Navigation Company, relative to the unsatisfactory state of affairs resulting from the policy of the Persian Government on the Karun River.

I fully agree with the criticisms contained in this communication. No one is more sensible than myself of the evil effects attending the disastrous economic policy of this Government, not merely in Arabistan but throughout Persia, a policy which has largely contributed towards bringing the country to its present ruinous condition. These effects are partly due to the utter corruption of the administration, whose first instinct is to try to levy blackmail on any attempt to develop the national resources, and partly to intense dislike of all foreign commercial enterprise, as veiling or tending to facilitate some dangerous political design.

I have over and over again pointed out to the Persian Ministers the suicidal consequences of their policy, but arguments to this effect coming from a foreign Minister are of little avail. The embargo has this year been taken off at a fairly early date, largely owing to the remonstrances of M. Naus, who, as a European, is at one with me on the subject, but the first act of the new Governor of Arabistan, the Salar-i-Muazzam, has been to replace it on the Upper Karun, on the well worn but fictitious plea of local scarcity, of course for the real object of being bribed by local

grain exporters. M. Naus assures me that he has made a strong protest on this subject to the Valiahd, and I am hopeful that the embargo may within the next few days be again taken off.

Dislike and jealousy of foreign enterprise is, as I have stated above, at the bottom of the generally obstructive policy of which the Company complains, and from which it suffers in Turkey as well as in Persia. A frank reversal of this policy, however wise, is not, I fear, to be hoped for in either country, and the utmost that can be done by His Majesty's Representatives is to obtain redress in individual instances when its application can be shown to be indefensible. Thus, I have at length, after a long struggle, prevailed on the Persian Government to allow the destruction by dynamite of certain rocks in the bed of the Karun River, which impeded its navigation, and were regarded by it as specially valuable on that account, since they might interfere with the movements of an invading flotilla. I believe, too, that the permission to the Company to erect a landing shed at Shililich, the port of Shuster, which has been wrangled over between the Legation and the Persian Foreign Office for the last five years, and systematically obstructed by the latter on a series of frivolous grounds, is now on the point of being obtained.

I would, however, repeat that the utmost I can do, and that with the greatest difficulty, is to procure satisfaction for the Company in gross individual cases of hardship or oppression, but that the determined adoption of a really enlightened policy in these matters by the Government of Tehran is, so long as that Government remains what it is, out of the question.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 67.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 162.)

My Lord,

Gulahek, July 26, 1905.

WITH reference to my despatch No. 153 of the 17th instant, I have the honour to report that the Mushir-ed-Dowleh has sent a copy of the Perso-Baluch Boundary Agreement to the Ministry of Customs and the Foreign Office Agent for Seistan and Baluchistan, and that the necessary orders respecting the export of grain have been issued.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 68.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 163. Confidential.)

My Lord,

Gulahek, July 26, 1905.

THE Mushir-ed-Dowleh spoke to me this afternoon about the Russian Cossack and Indian Consular guards at Meshed.

His Excellency said that the Russian Government was willing to withdraw its Cossack guards, not only from Meshed, but from all other places in Persia, on condition that we simultaneously withdrew all our Indian sowars, and that he had been commanded by the Shah to ask me to recommend this course to His Majesty's Government, the recent increase of the Russian guard at Meshed having been due, according to the Russian Legation, to the necessity of making it equal in numbers to our own.

I replied that this suggestion was not a new one. It had been made last autumn, when I was in England, by his Excellency to Mr. Grant Duff, who had referred it to your Lordship, and you had, after conferring with the Secretary of State for India, instructed me to explain to the Persian Government, in the event of its renewal on my return here, the difficulties in the way of compliance with it. These consisted partly in the necessity of adequate protection to our Consulates and subjects in Persian cities, in view of the present defective character of Persian military and police arrangements, and partly on the fact that, whilst a Persian force under the command of Russian

officers appointed by the Russian Government was available for the provision of guards and escorts for Russian Representatives, no corresponding or analogous security existed for the defence of British interests.

The Mushir-ed-Dowleh intimated, speaking personally and confidentially, that, if we withdrew our guards, the Persian Government might eventually be in a position to give us satisfaction in this respect. They had already engaged Austrian officers for the Persian army, and we might fairly found on this a demand for the employment of English ones. In the meantime, the withdrawal of both the Russian and English guards would not modify the existing military situation. Assuming, for the sake of argument, that I was justified in regarding the Cossack brigade as a Russian force, the Russians already had a privileged position, which was not affected, and would not be affected, by the presence or absence of Russian or British detachments of regular troops. The existence of these foreign detachments on Persian soil was distasteful to the Shah, who desired their removal, and his Excellency appealed to His Majesty's Government, as the friend of Persia, to assist her in this matter. The Persian Government would be prepared to substitute for them properly equipped and trained guards of its own, pending the introduction of a larger scheme of military reorganization which had for some time past been engaging its attention. He was convinced that, if I would support the proposal, my views would carry weight with your Lordship.

I said that I would personally be prepared to recommend an arrangement based on the withdrawal of both the Russian and Indian guards if the Persian Government would formally undertake to give us an English equivalent to the Russian Cossack brigade, but that I could not say how far such a suggestion would commend itself to your Lordship. Further than this, in view of your instructions, I could not go, but I would, of course, not fail to report to you the views and wishes expressed by his Excellency. On my adding that I thought His Majesty's Government had no objection to the presence of small Russian guards, like our own, for the protection of Russian Consulates and subjects, the Mushir-ed-Dowleh said that might be the case, but that the Persian Government did not approve of it, and he urged that compliance with his request would facilitate the withdrawal of the Russian force at Gumbad-i-Kaboos, for which, as I knew, they were negotiating.

Upon my inquiring of his Excellency how these negotiations were progressing, he repeated that the Russian Government had agreed in principle to withdraw its force from Gumbad-i-Kaboos, and to sell the buildings there to the Persians, but that no definite settlement had been come to before the Shah's departure for Europe, the Russian Minister having had to refer to St. Petersburg certain points, as to which he had not yet received an answer. In the meantime, the question of the increased Russian guard at Meshed had arisen, and the Russians had declared themselves ready to withdraw all the Cossacks in Persia, including those at Gumbad-i-Kaboos, provided we withdrew our Indian sowars. I asked if this withdrawal by us was a condition of the fulfilment by Russia of her pledges as to Gumbad-i-Kaboos, pointing out that the analogy to the Russian position at that place would be the presence, not of small detachments of guards at our various Consulates, but of an English Permanent Commission, with an armed escort, in the interior of Seistan or Persian Beluchistan. His Excellency said the two questions were distinct, and I understood from him that the Persian Government would insist on the promised withdrawal of the Russian force at Gumbad-i-Kaboos, without reference to that of the Consular guards, though he thought the one would be greatly facilitated by the other.

I would request your Lordship to instruct me at your earliest convenience as to the reply which you would wish me to give to the Mushir-ed-Dowleh on this subject.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 69.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 165. Confidential.)

My Lord,

Gulahek, July 29, 1905.

I HAVE the honour to transmit herewith copies of correspondence between the Persian Government, the Russian Legation here, and the Persian Legation at St. Petersburg respecting the Russian claims to compensation on account of the Meshed riots, which have been confidentially supplied to me. Your Lordship will observe

that my Russian colleague had held very menacing language on the subject to the Mushir-ed-Dowleh, who has, I hear, complained bitterly of M. de Speyer's tone both to the Shah in Europe and to the Valiahd.

The Kazvin affair, to which these notes allude, was a slight anti-Russian local disturbance which occurred about four years ago, and was settled by the dispatch to Kazvin of M. Nikolsky, then Secretary in the Russian Legation and now Russian Consul at Kermanshah.

M. Somoff, First Secretary of the Russian Legation, has been instructed to proceed to Meshed, presumably in connection with these claims, and though anxious to defer his journey till the weather is a little cooler, will start, so he tells me, in about a fortnight's time. His mission, however, is less significant than it might seem, as he has quarrelled with his chief (the real reason was the old story—strained relations between the ladies), and has openly criticized him for having given a small picnic on the day when the news arrived here of the destruction of the Baltic fleet. The incident of the picnic got into the Moscow papers, with the result that M. de Speyer was asked for explanations by Count Lamsdorff, and is perhaps the real secret of M. Somoff being sent to Khorassan.

Meanwhile the Persian Government is undoubtedly in a strong position in insisting, as it does, that the payment of compensation by Russia for the losses suffered by Persian subjects during the massacres in the Caucasus is as imperative as the satisfaction of the Russian claims arising out of the much less grave troubles at Meshed.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 69.

M. de Speyer to Mushir-ed-Dowleh.

(Translation.)

Your Excellency,

Tehran, July 10, 1905.

NOT having received an answer to my note No. 33 of the 24th June, respecting the pillage and robbery of the property of Russian subjects at Meshed when there was riot and disturbance there among the population, I am reluctantly obliged to conclude that your Excellency has not fully realized the importance of this question, or, having considered it one of not great importance, has paid little attention to it. Although the riots at Kazvin were, in comparison to those of Meshed, of much less gravity, your Excellency is fully aware what steps were taken to compensate the Russian subjects for the losses sustained by them there and what measures were taken for the punishment of the offenders. In this case, however, the Russian Consul-General at Meshed informs me that numerous meetings have been held at the Karguzari which have shown that 17,000 tomans in Persian money, and about 96,000 roubles, are the losses incurred by the Russian subjects and the Persian subjects who have rented caravanserais and stores, &c., to the Russian subjects whom they now press strongly for the rent. Although the matter was definitely proved, the Governor-General has taken no steps whatever with respect to the repayment of the above-mentioned sums, or for the punishment of the offenders, but, on the contrary, he protects and helps them, which causes me great astonishment. Notwithstanding the clearness of the question at issue, and the proof of the losses sustained by the Russian subjects, it is remarkable that the Governor-General should act as he does, and that the Ministers of the Imperial Government should so delay the course of justice and show such want of energy.

As I am being constantly pressed from St. Petersburg for a settlement of this question, and as the above-mentioned Russian subjects also press for a settlement of their claims, I have the honour to press your Excellency with the request that the necessary steps should be taken, such as the issue of strict telegraphic orders, or the dispatch of a special Commissioner, in order that the whole of the claims of the Russian subjects should be collected, and the offenders punished, so that in future such an offence should not be repeated.

I do not think it is necessary to inform your Excellency beforehand that if further delay and procrastination should occur in this matter the Russian authorities will themselves proceed to settle the matter by methods approved by themselves, if even they should be obliged to take certain steps unexpected by the Persian Government in order to make good the losses sustained by the Russian subjects and to punish the offenders. I await your Excellency's reply, which I hope will not be delayed,

respecting the result of the steps taken in the matter in order that I should be able to communicate the same to the Imperial Government.

I have, &c.
(Signed) ALEXIS SPEYER,
Russian Minister.

Note.—The words "sahl enkari" used in the original Russian note, and translated "want of energy," are particularly offensive to the Mushir-ed-Dowleh, being a term of reproach used only by a superior to an inferior.

Inclosure 2 in No. 69.

Mushir-ed-Dowleh to M. de Speyer.

Your Excellency,

Tehran, July 10, 1905.

IN answer to your Excellency's note of to-day's date, which refers to that of the 24th June, respecting the riots which took place some time ago at Meshed, I must express the greatest astonishment at your suggestion that I have evidently not considered the matter one of importance, and have not given it due consideration. Your Excellency is well aware what steps I took on the occasion of the troubles at Kasvin, and what serious consideration the matter immediately received at my hands, though, as you point out, the disturbance was not of so serious a nature as that which occurred at Meshed. I ask, therefore, how could it be conceivable that in view of the care and consideration always extended by the authorities of the Imperial Persian Government, with the object of maintaining and increasing the relations of friendship existing between our two Governments, that I should show lack of energy in your cases. On receipt of your Excellency's note of the 24th June, I immediately telegraphed to the Governor-General of Khorassan communicating the particulars of your case to him, and asking for a telegraphic reply, which I received two days ago, and a copy of which I inclose herewith, and from which you will see that the matter has in no way been delayed.

I would observe to your Excellency, however, that it appears to me to be inconsistent with the friendly relations existing between our two Governments to use such words as "if further delay and procrastination should occur in this matter the Russian authorities will themselves proceed to settle the matter by methods approved by themselves, if even they should be obliged to take certain steps unexpected by the Persian Government in order to make good the losses sustained by the Russian subjects and to punish the offenders."

The question having been referred to His Imperial Highness the Valiahd, His Imperial Highness observed that the Persian Government have for a very long time pressed for the punishment of those who killed numbers of Persian subjects in Baku, Erivan, and Nakhtchivan, and for compensation for the losses sustained by them, and have so far not referred in diplomatic correspondence to the delay on the part of the Russian Government in settling these cases, as naturally these matters demand careful investigation and time in order that justice may eventually be done. The Governor-General of Khorassan reports that the disturbances which occurred there were only of a very short duration, having been quelled within a few hours, and that the Government were in no way responsible for them. In short, in accordance with the telegram from the Governor-General of Khorassan, a copy of which your Excellency will have seen, telegraphic instructions have been issued by the Foreign Office to appoint a meeting at the Karguzari to institute the necessary inquiries, in order that justice should be done in accordance with the result arrived at.

I have, &c.
(Signed) MUSHIR-ED-DOWLEH.

Inclosure 3 in No. 69.

Mushir-ed-Dowleh to Mushir-ul-Mulk (Persian Minister at St. Petersburg).

Sir,

Tehran, July 12, 1905.

I HAVE informed you telegraphically of the correspondence exchanged between the Foreign Office and the Russian Legation respecting the troubles which occurred

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some time ago at Meshed, the origin of which was the interference by an Armenian with a Mussulman woman.

As the post is about to start, I am sending you copies of the correspondence as well as copy of a telegram received on the subject from the Governor-General of Khorassan.

As I telegraphed to you, you are instructed to communicate His Imperial Highness the Valiahd's commands to me to the necessary quarter respecting all the robbery and damage to Persian subjects at Baku, Erivan, and Nakhtchivan, as well as at other places in Russia, with regard to which the Russian Government have so far not been able to take steps.

The small disturbance at Meshed only lasted a few hours, and was soon quelled, and if even there has been robbery and pillage, since the authorities in Khorassan had immediate instructions to inquire into and settle the matter, it was not at all necessary for the Russian Minister to make use of such violent expressions. It is quite evident that the matter requires time for investigation before anything can be done. You will therefore refer the matter to the proper quarter and inform me of the result.

I have, &c.

(Signed) MUSHIR-ED-DOWLEH.

No. 70.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 166. Confidential.)

My Lord,

Gulahek, July 31, 1905.

I HAVE the honour to transmit herewith a copy of a despatch from His Majesty's Consul at Shiraz, respecting the wish of the Prince Shoa-es-Sultaneh, the second son of the Shah and Governor-General of Fars, to visit India on a special mission in connection with the approaching visit of His Royal Highness the Prince of Wales.

My reply to Mr. Grahame, a copy of which I have the honour to inclose, will explain my reasons for deprecating this proposal, which might, in my opinion, easily give rise to trouble and misunderstandings out of all proportion to the political advantages likely to result from it.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 70.

Consul Grahame to Sir A. Hardinge.

(No. 57. Confidential.)

Sir,

Shiraz, July 19, 1905.

I HAVE the honour to inform you that, in the course of an audience on the 17th July, I suggested to Prince Shoa-es-Sultaneh—carefully premising that such a suggestion was entirely a private and individual one from myself—the possibility of his paying a visit to India on the occasion of His Royal Highness the Prince of Wales' tour, and being present as the Representative of Persia at the great Durbar to be held at Delhi in December next on the occasion of the Royal visit.

His Imperial Highness embraced the idea with the keenest alacrity, and said that the journey itself and the time (November to February) would exactly suit him, indicating that, if there were any troubles here, it might afford him a convenient *porte d'échappée*. He expressed his opinion that the first step to take was to induce the Shah to conceive the advisability of sending an official Representative of Persia to India on the occasion of His Royal Highness the Prince of Wales' visit, and urged me to lose no time in writing to you to request that you would, when in Europe, use your best endeavours to compass this end.

His Imperial Highness said that, once the question of such a mission was settled *en principe*, he would have little difficulty in purchasing from the Mushir-ed-Dowleh his own appointment. The Prince would not wish his own name mentioned at the outset.

I do not lose sight of the difficulties attending on such a scheme. If my memory

does not play me false, it was hinted to the Persian Government on the occasion of the Coronation Durbar that Representatives of that Government would be made welcome at Delhi, but the suggestion met with a somewhat discourteous reply from the then Persian Prime Minister, Atabeg-i-Azam.

When the idea of His Imperial Highness visiting India first presented itself to my mind, it was under the form of a semi-official invitation from the Government of India to Prince Shoa-es-Sultaneh to be present at the forthcoming Durbar. You yourself will be the best judge of the exact manner in which a visit of Prince Shoa-es-Sultaneh to India might be arranged. As to the desirability in principle of such a visit, I venture to think that you will share my view—viz., that it might be very beneficial to British interests in South Persia, and might stimulate intercourse between India and Fars.

His Imperial Highness was good enough to add that, in the event of his visiting India, he would make a special request of His Majesty's Government that I should accompany him on his tour.

I am sending a copy of this despatch to His Majesty's Resident, Bushire.

I have, &c.

(Signed) G. GRAHAME.

Inclosure 2 in No. 70.

Sir A. Hardinge to Consul Grahame.

(No. 37. Confidential.)

Sir,

Gulahek, July 31, 1905.

I HAVE received your despatch No. 57 of the 19th instant respecting a suggested mission of His Royal Highness Prince Shoa-es-Sultaneh to India during the visit of the Prince of Wales.

Even if the Persian Government were to view the proposal with favour, a contingency of which, bearing in mind its reception of the Viceroy's suggestion in 1902 that a Persian Representative should attend the Delhi Coronation Durbar, I am doubtful, I am by no means convinced of its expediency.

1. The Shoa-es-Sultaneh's high idea of his own importance as the second son of the Shah would, I have very little doubt, involve us in all sorts of ceremonial difficulties, as he would probably want to take precedence of the Nizam, Holkar, Scindia, and other great Indian feudatories, who, on their side, would almost certainly object to his pretensions.

2. The question of decorations for the Shoa-es-Sultaneh and his suite, always a dangerous rock where Persian vanity and emulation come into play, might easily give rise to unpleasantness.

3. Even if all went without a hitch, and the Shoa-es-Sultaneh returned to Persia highly gratified with his reception, it is not clear that any valuable advantage would have been gained. On the other hand, you are probably aware that the Russians have endeavoured to make the Valiahd our enemy by asserting that we favour the aspirations of the Shoa-es-Sultaneh to compete with him as heir to the Throne, and any courtesies of which His Royal Highness was the recipient in India would be represented as supporting the truth of the allegation. It is pretty certain that the Shoa-es-Sultaneh will cease, as soon as the Shah dies, to play an important part in Persian affairs, and although, so long as he is Governor-General of Fars, I am anxious to maintain the most cordial relations with him, I am doubtful of the wisdom of associating British interests in any marked manner with his person. If he were to be given a high Indian decoration as Persian Special Ambassador at the Durbar, and if, when his brother ascends the Throne, he were, as is not unlikely, to suffer persecution, the Legation would be more or less bound, for the sake of its prestige and that of the Indian Order conferred upon him, to intervene on his behalf, and we should thus find ourselves at the outset of a new Shah's reign in strained personal relations with the Sovereign over a somewhat delicate family question.

You should therefore inform the Prince, in the event of his reverting to the matter, but not otherwise, that you have sounded me on the subject, and that I have replied that, so far as I know, it is not contemplated that any Special Ambassadors from foreign States should be invited to attend the reception of His Royal Highness the Prince of Wales in India, none having been sent there during the similar visit of the King-Emperor.

In the meantime I am sending copies of this correspondence to His Majesty's Government and to the Government of India, and, in the event of your proposal finding favour with them, the above reply would not exclude its realization.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 71.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 169.)

My Lord,

Gulahek, August 2, 1905.

IN my despatch No. 68 of the 23rd March I had the honour to report to your Lordship on the correspondence initiated by the Government of India respecting the unsatisfactory state of the roads in the Kerman Province, and the frequency of robbery and violence resulting from their unprotected condition.

Since his arrival in Kerman, Captain Haworth, Acting British Consul at that place, has devoted himself to a special study of the best means for improving the security of the Kerman-Bunder Abbas road, and has embodied the result of his inquiries in a scheme for the policing of the road, of which I have the honour to transmit a copy herewith to your Lordship.

The Governor-General of the province and the Karguzar are both supporting Captain Haworth's scheme, and I have the honour to inclose a copy of a note which I have addressed to the Mushir-ed-Dowleh, recommending his suggestions to his Excellency's favourable consideration.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 71.

Acting Consul Haworth to Sir A. Hardinge.

(No. 62.)

Sir,

Kerman, June 25, 1905.

WITH reference to the correspondence forwarded to me with your No. 5 of the 3rd April on the subject of the insecurity of the caravan routes in the Kerman Province, I have the honour to inform you that three robberies have occurred on the Bunder Abbas road within the last two months, all of which took place within range of the village of Dawlatabad.

On two occasions the men robbed were British subjects, the third case being that of an Afghan, who was both robbed and murdered.

If all the robberies which have taken place on this road are noted, it will be seen that the dangerous zone on the Dawlatabad-Baft or Dawlatabad-Sirjan road lies between Pur Ahmadi and Dasht Ah, but chiefly in the portion between Pur and Gulu Anjeer, whence access and egress to and from the Fars district is an easy matter.

From Pur Ahmadi to Dawlatabad is a distance of 32 miles in the Fars district, but, for the purpose of road protection, Kerman authority extends to a point called "Sefid Sang," a few miles this side of Bedu.

From Dawlatabad to Dashtab is a distance of 64 miles lying in the Kerman district.

From Dashtab the road bifurcates into the direct camel route via Baft and the post route via Sirjan. Until a few days ago no one had been placed in charge of the road. On Thursday last, however, Mirza Mahmud Khan left Kerman to take up his appointment as Governor of Akta and custodian of that portion of the Bunder Abbas route which lies between Sefid Sang and Sirjan.

The day before he left I sent for him, and had a conversation with him on the deplorable state of this, one of the main arteries of Persia.

He informed me that to guard that portion of the way for which he was responsible the Persian Government allowed him 100 sowars on a pay of 1 man of barley and 2 man of straw per diem for each horse, with half-a-man of wheat per diem and 8 toman per annum for each man. I discussed the matter with Mavafiq-ud-Dowleh, the Accountant-General, also. There was a slight discrepancy between the amount stated by him and that stated by Mirza Mahmud Khan, but he told me the whole sum

granted, cash and kind, might be estimated at 2,500 toman per annum, and that on this the Governor-General had levied no toll.

In my conversation with Mirza Mahmud Khan, he admitted to me that the amount allowed him by Government was insufficient for him to do, honestly, what was required of him.

As a natural result, his system will be to appropriate all that he can, keeping up, by force of his position as Governor of Akta, a few sowars who will live by "cher cher," that is to say, by grazing on the people, and matters will continue little, if any, better than heretofore.

He informed me that if he were allowed eighty well-paid sowars, he would guarantee to make the road absolutely safe from Pur Ahmadi onwards.

He said that he would require a similar amount of "zireh" to that which is now given, and, in addition, he wanted 3 toman a-month for each sowar, also 1,000 toman per annum for himself, and 500 toman for officers whom he would appoint to assist him.

He worked out the total as follows:—

"Zireh" at 2 toman a-head for wheat and barley, and 1 toman for straw, and 3 toman pay, i.e., 6 toman for each sowar per month, or 72 toman per annum; total, 5,760 toman; for himself and officers, 1,500 toman; being a total of 7,260 toman; or, say, 7,200 toman per annum.

Rifles and ammunition to be supplied by Government.

While travelling up the road I noticed with what ease it could be protected.

The villages or watering places at which posts could be established are as under:—

1. Pur Ahmadi.
2. Kilitu, a village 8 miles from Pur, near which the recent murder took place.
3. Bidu, a village 18 miles from Pur.
4. Dawlatabad, a village, seat of Kalantar, 32 miles from Pur.
5. Gulu Anjeer, no village, but old tower with excellent supply of water, 16 miles from Dawlatabad. Would require a fort being built.
6. Deh-i-Naw, about 22 miles from Dawlatabad.
7. Deh-i-Sard, a village 32 miles from Dawlatabad.
8. Saichu, formerly village and fort; good water and fuel; about 7 miles from Deh-i-Sard.
9. Dashtaba village, 22 miles from Deh-i-Sard.

Mirza Mahmud Khan states that, if given the number of sowars I have stipulated, he will agree to escort all caravans going up and down the road.

In this case the post of Kilitu might be abandoned and posts established at Zamilabad, Balwa, and Sirjan instead. These last three would be for the protection of the post, as, except when snowbound, the caravan line follows the direct Dashtab Baft route.

In this connection, I may state that Mirza Mahmud Khan is prepared to carry the post if allowed the price of hire of a pack animal at each manzil.

The above plan, if it is possible to carry it out, would, I consider, put a stop to the present unfortunate state of affairs.

I am aware that Major Sykes has stated that it is impossible to hope for anything from the Persian Government, owing to the peculation which is common to all its officials. I think, however, that the plan is worth trying, if the Persian Government can be induced to accede to it, and the matter is so important that I could well spare an occasional fortnight on the road to see that the scheme is working properly.

If it should fail, we are no worse off than we were before, and, at any rate, the measures taken would be such as should insure success.

Personally, I believe it will succeed. The system at present in vogue is predestined to failure.

Mirza Mahmud Khan says that, under the circumstances above mentioned, he would resign his post as Governor of Akta and devote himself entirely to the object in view. He has thirty years' experience of the road, and is admitted on all sides to be the man who could make this work a success if any one can.

My next suggestion I put forward with some diffidence.

I have stated that at present this route costs the Persian Government some 2,500 toman per annum; the scheme I have put forward would cost 7,200 toman. If the Persian Government cannot be induced to find this sum I would suggest that, in return for the protection afforded to its traders, the British Government should offer to pay a sum of 3,600 toman per annum, or 600*l.* in round numbers, on the under-

standing that it should not in any way interfere with or have any right of control over the arrangements, but that if the methods employed were not satisfactory it should have the right to withdraw from the Agreement at a month's notice.

This would leave the Persian Government only 1,100 tomans per annum more to pay than they pay now, not allowing for what they would gain over the post, and without considering the amount spent in paying indemnities.

I would further suggest that the Consular escort be raised from 6 to 24 men. I could then arrange that 6 sowars should leave Kerman for Bunder Abbas and *vice versa* every two months to bring up baggage and stores for me, and incidentally accompany any British caravan on the road.

Traders and caravan owners would very soon arrange to fall in with this plan—in fact, several camel-owners have informed me that they could travel at fixed times if I could manage in any way to protect them. I trust the above will not fall under the same objections as did Major Sykes' scheme.

I have, &c.
(Signed) L. HAWORTH.

Inclosure 2 in No. 71.

Sir A. Hardinge to the Mushir-ed-Dowleh.

M. le Ministre,

Gulahek, August 2, 1905.

OWING to the constant complaints of the insecurity of traffic in the Kerman district, and especially on the road from that place to Bunder Abbas, on which British subjects have on more than one occasion recently been robbed, His Majesty's Consul at Kerman, after carefully investigating the question, has submitted to me a scheme whereby, in his opinion, the security of this road, one of the main arteries of Persian traffic, might be very largely increased.

I understand that this scheme has already been brought to your Excellency's notice by the Governor-General and the Karguzar of Kerman, so that I need only briefly indicate its main points here, and point out to your Excellency that the extra expense incurred by the Persian Government by its adoption would, in my opinion, be more than compensated for by the increase of traffic which it would attract to the road and the decrease in those frequent claims for damages for robbery, which, I think, we should have a right to expect, if proper precautions were taken for the security of travellers.

Captain Haworth informs me that Mirza Mahmud Khan, Governor of Akta, is now in charge of that portion of the Bunder Abbas road which lies between Selid Sang and Sirjan, and it is through the agency of this official that he proposes that the necessary reforms should be effected. The sum granted at present to the Governor of Akta amounts to 2,500 tomans, and this Captain Haworth represents as being quite inadequate.

He proposes that a force of eighty sowars should be put under the orders of Mirza Mahmud Khan; each man to draw 2 tomans a-month for wheat and barley, 1 toman for straw, and 3 tomans for pay. This would work out at 5,760 tomans a-year. For Mahmud Khan and his officers, a sum of 1,500 tomans would have to be set aside, making a grand total of 7,260 tomans per annum. Rifles and ammunition should be supplied by the Persian Government.

If this force and this rate of pay were supplied by the Persian Government, Mirza Mahmud Khan would be willing to resign his post as Governor of Akta and devote himself entirely to the business of the road. He would agree to escort all caravans travelling along it, and would guarantee to make it absolutely safe from Pur Ahmadi onwards.

I need not point out to your Excellency how desirable some immediate action is for the proper protection of this important highway, and I have the honour to recommend strongly to your Excellency's favourable notice the scheme drawn up by Captain Haworth, which seems to me to offer the best prospect for the security of the road.

I avail, &c.
(Signed) ARTHUR H. HARDINGE.

No. 72.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 170. Confidential.)

My Lord,

Gulahek, August 5, 1905.

I HAVE the honour to report, with reference to my despatch No. 101 of the 12th May, that I met Seyyid Abdullah yesterday at a Persian house at which I was calling.

The Seyyid in the course of conversation expressed surprise at my unsympathetic attitude towards him during his recent crusade against the Belgian Customs Administration, which he had supposed I should regard as advantageous to British interests. M. Naus, he said, was in league with the Grand Vizier to plunder for their common benefit the poor oppressed Mahomedans of Persia by extorting from them higher duties than those specified in the new Tariff. As for the Shah, he was a cipher who knew and understood nothing of these matters.

I told Seyyid Abdullah I could not agree with him, and tried to explain the difference between the actual duties fixed in the Tariff and the extra charges, such as "droits de chancellerie," warehouse, storage, and declaration fees prescribed by the Règlement Douanier, but I soon saw that it was of no use to continue the discussion, as he became very violent and excited against M. Naus, exclaiming, "By your head and by the salt of the British Government I swear that I will not rest until I have had him killed."

He went on to say that he had just received a letter from Mirza Kazim Khorassani, the only one of the great Ulema of Nejed, who had at first disapproved of his campaign, declaring that he now no longer opposed, but supported it, and as a member of the Valiahd's *entourage* was present, he called for ink and paper and wrote a letter to the above effect to His Imperial Highness, which he requested this gentleman to hand to the Prince at once. He assured me that the merchants had all thanked him for his action, which had brought about the suppression of many vexatious taxes, that he was fully determined to carry on the war, and that I should hear of its results during my approaching holiday in England.

Making every allowance for the boastful "gasconades," in which Persians of all classes indulge, it appears probable that the agitation against the Belgian customs, which has slumbered at Tehran, though not entirely in the provinces, since the Shah's departure, will be revived after His Majesty's return, especially if the Ain-ed-Dowleh remains in office. Should the Atabeg-i-Azam return to power he may find means of calming it, or it may be thrown into the shade by questions of greater interest, arising out of a change of Ministry. The Minister of Commerce, the Saad-ed-Dowleh, whom I saw lately, still expresses himself very bitterly against M. Naus, and will, I have little doubt, continue to labour and intrigue for his overthrow.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 73.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 173. Confidential.)

My Lord,

Gulahek, August 12, 1905.

I HAVE the honour to transmit herewith, in continuation of my despatch No. 141 of the 24th June last, copies of correspondence which has passed between the Government of India and myself respecting the proposed establishment of motor-car services under Russian or British auspices in Persia.

I have nothing, for the present, to add to the views which I have had the honour, in compliance with the desires of the Government of India, to express to it upon the subject.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 73.

Sir A. Hardinge to Government of India.

(No. 43.)

Sir,

Gulabek, August 12, 1905.

WITH reference to previous correspondence (ending with my telegram No. 139 of to-day's date) respecting the introduction of a motor-car service into Persia, I have the honour to report that the Sani-ed-Dowleh called on me yesterday by appointment, and in reply to an inquiry from me as to the nature of the Agreement concluded by him with the Russian Road Company, assured me, in the most positive manner, that no such Agreement had been either concluded or discussed.

I am inclined to think, from information which has reached me from other quarters, that his Excellency's statement was correct, and that when I was informed by M. Naus some time ago that the Sani-ed-Dowleh had come to an arrangement with the Russians, all that had happened was that he had been induced by the Mushir-ed-Dowleh to abstain from embarrassing the Persian Government by protesting against the placing of motors, other than his own, on the Russian roads, as constituting an infringement of his monopoly.

In my despatch No. 141 of the 24th June to the Marquess of Lansdowne, I reported, on the strength of the information given me by M. Naus, that the Russian Bank, which is introducing, as the practical owner of the roads, the motor service, appeared to have offered financial help to the Sani-ed-Dowleh, while simultaneously maintaining its right to run the cars on its own roads without his consent. I am still inclined to think, from M. Naus' language to me, that the bank may have intimated a readiness to overcome the Sani-ed-Dowleh's opposition by interesting him financially in the scheme, but that this has been found unnecessary, owing to the fact that the Persian Government has not supported him in vindicating his monopoly. All it has done has been, in reply to a Russian proposal that the Russian Bank should have the monopoly of the motor service on the Resht-Tehran and Tabreez-Tehran roads, to declare such a proposal inadmissible. It was perhaps this proposal which the Russians hoped to induce the Sani-ed-Dowleh to accept in return for pecuniary assistance.

There appears little doubt that the Russians are justified in maintaining that the Sani-ed-Dowleh's monopoly cannot cancel rights conceded previously to its grant, a position which we took up in connection with the tolls on the Bakhtiari road, notwithstanding the provision of Article IV in the Anglo-Persian Convention of 1903. It follows that whereas on all the roads in Persia not conceded to Companies the Sani-ed-Dowleh has the exclusive right to use motors for commercial purposes, he is bound to submit to the competition of the Russian Bank on the Resht-Tehran, Tabreez-Tehran, and Kazvin-Hamadan roads, and of the Persian Transport Company on the Tehran-Kum-Ispahan and the Tehran-Kum-Sultanabad-Ahwaz roads. In this situation he appears quite disposed to acquiesce; he observed to me that a Government so weak as the Persian could hardly be expected to contend with powerful foreign Companies. He told me that he had already purchased six motors, and that he intended to begin by running them from Tehran to Kasvin and from Tehran to Kum respectively. Later he would inaugurate a motor service on the road to Kermanshah, and on the road to Meshed, both of which he thought would be suitable save in the depth of winter, though some repairs would require to be made on the Meshed road in the neighbourhood of Aivan-i-Kaif, and within a short distance of Meshed itself.

In reply to an inquiry as to his charges, he said that he should charge 1 kran 25 cent. per khalvar for every farsakh, which was more than twice as cheap as the present charge of 3 kran per khalvar* per farsakh levied on the Resht road for animal transport. He had obtained authority from the Persian Government to raise this charge if it proved inadequate to meet the expenses, but he believed it would be sufficient to pay. He hoped to be able to carry twenty khalvars† in each car, and about 8 khalvars more in a van which would be attached to the cars so long as they travelled on level roads. He was confident that the enterprise would prove a success. The cost of bringing each car to Persia, exclusive of Customs duties, he estimated at from 5,000 to 6,000 toman (about 1,000/).

I asked him if he were still desirous of obtaining the loan from the Imperial Bank of Persia for which he had asked me to arrange last year. He replied in the affirmative, saying that he had had several talks on the subject with Mr. Rabino; that the latter

* About 650 lbs.

† Almost 6 tons.

was unwilling to advance the money desired by him—namely, 20,000/—without a guarantee from the Legation, but, with such a guarantee, would let him have it at a low rate of interest, not the ruinous 12 per cent. which he usually charged Persian borrowers. The fact that the Sani-ed-Dowleh still desires this loan, combined with the circumstance that he is said to be negotiating for the sale of his estates at Meshed-i-Murghab, in the Province of Fars, in order to raise funds for inaugurating the motor service, is, I think, evidence that he has, at any rate for the present, not come to any arrangement with the Russian Bank. I asked him whether, supposing the Legation were able to assist him in the matter, he would be prepared to give us, or an English Company, running powers over those portions of the Great Southern Road south of Ispahan, which were not yet held by the Persian Transport Company, the road, for example, from Ispahan to Shiraz, and any carriageable continuation, say by way of Firuzabad, which might ultimately be established between Shiraz and Bushire. He expressed himself as quite favourable to this idea, which I was careful to point out to him was solely my own, and might very likely not meet with favour in the eyes of the British Government. It appears to me that it affords the basis of an arrangement, and that we might easily acquire a half-share in the Sani-ed-Dowleh's monopoly between Ispahan and Shiraz (as far as Ispahan we can claim it already) by guaranteeing the reimbursement of the 20,000/ for which he has applied to the Imperial Bank. I believe the investment would be a safe one, as the Sani-ed-Dowleh is a man of substance, and, besides his properties in Fars, is the joint owner with two brothers of valuable estates in the immediate neighbourhood of Tehran, one of which borders on Gulabek. Although, therefore, he has the reputation of being somewhat difficult in matters of business, and not as punctual as might be wished in the payment of his debts, we should have a considerable hold over him, and I imagine that the Imperial Bank would not have more difficulty than it experiences with many of its wealthy Persian debtors in recovering the interest on its loans. The advantage of such an arrangement would be that the Transport Company, or any other English Company undertaking to run the motors, could inaugurate the service with very little delay from Shiraz to Ispahan, and that it would not be necessary to negotiate with the Persian Government for permission or for the grant to us of an Ispahan-Shiraz extension, whilst we should retain our rights on the Arabistan road undiminished, instead of, perhaps, having to barter them for equivalent rights on that to Bushire. This, moreover, is, of course, a question which His Majesty's Government in London is alone competent to decide.

An alternative which has occurred to me would be so to improve the Bakhtiari road from Ispahan to Ahwaz as to render it fit for a motor service. How far this is possible I am not in a position to say, never having myself travelled over the road. It would, however, I have little doubt, be an extremely expensive process, the present track being impracticable in winter and in constant need of repairs, passing as it does through mountainous country.

As regards the extension of the Russian motor service south of Tehran, there appears little immediate danger of this, since if the Russians claim that only the motors belonging to their Company can, together with those of the Sani-ed-Dowleh, circulate on the Russian roads, the same argument would apply in our case to the roads to Ispahan and Sultanabad. There is, I think, always a certain danger that the Russian Bank might get hold of the Sani-ed-Dowleh and buy shares in his rights over the southern roads, which would enable them to run a Russian motor service for Russian goods in or under his name, and I am disposed therefore to think that it would be wise to endeavour to anticipate any attempt of this kind by the Russians, and if possible to come to some agreement with him. Such an agreement might prove advantageous in the event of our endeavouring to develop the Bunder-Abbas-Bam-Kerman route suggested to you by Mr. Newcomen. As you will have seen from my telegrams, I have not felt very enthusiastic about this route, as I think the danger from the Russian motor service being mainly to our markets in West-Central Persia, that it is there, rather than in Eastern Persia, that the counter-move should be made.

Of course there is always a possibility that this Russian venture may share the fate of so many other Persian enterprises, and after a brief trial be abandoned as a failure. The best Persian roads are steep in many places, and throughout very rough as compared with those of Europe, and the service will have to depend very largely upon inefficient and venal Persian employes, who will steal and sell the oil, let the machines get out of repair and breakdown, and otherwise embarrass the enterprise. There will be, moreover, a good deal of trouble at first when the motor cars run into long strings of camels, kill children, and in other ways incur the dislike of the native population. When the railway was first started to Sahabdulazim the accidental death of a native, who crossed

the line in front of the engine, produced a serious riot, and I anticipate many difficulties of this sort before the people can be got to accustom themselves to a motor service. Still, there is always the off-chance that, as the Sani-ed-Dowleh anticipates, it may revolutionize the economic conditions of Persia, and we ought therefore to be prepared with plans of our own, even though those plans should eventually share in the failure of those of our rivals. I gather, indeed, that this view is already held by the Government of India.

I am sending a copy of this despatch and of the telegraphic correspondence which has led up to it to His Majesty's Secretary of State for Foreign Affairs.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure 2 in No. 73.

Telegraphic Correspondence between Sir A. Hardinge and Government of India.

(1.)

Government of India to Sir A. Hardinge.

(Telegraphic.) P.

July 8, 1905.

MOTOR-CAR service on Tehran-Tabreez, Resht, and Hamadan-Kazvin roads: Your telegram No. 114 of 24th ultimo.

Could we, in your opinion, start British motor-car service from Shiraz to Tehran as a counter-move? By whom is the road concession, or at any rate the stretch from Ispahan to Shiraz, held?

(2.)

Sir A. Hardinge to Government of India.

(No. 121.)

(Telegraphic.) P.

July 17, 1905.

Motor-car service: Your telegram of 8th July.

It would be possible, in my opinion, to establish British automobile service from Shiraz. No one holds a concession for the road south of Ispahan, but in a despatch to the Foreign Office I have suggested that we should be allowed to work Shiraz-Ispahan road until Persian Government pacify Arabistan, and enable the Persian Transport Company to realize its concession. This might be considered a lesser evil by the Persian Government than the obligation of re-establishing its authority between Dizful and Burujird; but it would be necessary to come to an understanding with the Persian who holds the concession for motors, and who will in time be compelled, if he has not yet done so, to make terms with the Russians with regard to their roads.

(3.)

Government of India to Sir A. Hardinge.

(Telegraphic.) P.

July 25, 1905.

Motor service: Your telegram of 17th instant.

Recommendation to His Majesty's Government of immediate request for concession to make road from Bam to Bunder Abbas, with discretionary right to use motors on it, is proposed by Government of India. We prefer this scheme, suggested by Newcomen, to the Tehran-Shiraz proposal, which does not provide for expeditious transport from coast to central plateau. After inspection by engineer, a Company with Government guarantee, as in case of Transport Company, but without intermediary of Lynch, if possible, would exploit the concession. We should be glad of your opinion on the subject.

(4.)

Sir A. Hardinge to Government of India.

(No. 132.)

(Telegraphic.) P.

July 26, 1905.

Motor service: Your telegram of 25th July.

I am unable to give any decided views on Newcomen's suggestion, and advise you to consult Major Sykes. Road from Shiraz to Bushire is no doubt very bad, but it is already worked by English Company from Tehran to Ispahan, and concession from Bunder Abbas to Kum might be more difficult to obtain than extension from Shiraz. Competition with Russian roads to Western Persian markets would be more effectual on Shiraz than on Bunder Abbas route. I should think Eastern Persia will hardly be affected by Russian service. Trade on Nushki route will, of course, be diminished if communications from Bunder Abbas are improved.

(5.)

Government of India to Sir A. Hardinge.

(Telegraphic.) P.

July 27, 1905.

The concession for proposed service of motor cars would be not to Kum, but to Bam. Does your telegram No. 132 still express your views?

(6.)

Sir A. Hardinge to Government of India.

(No. 133.)

(Telegraphic.) P.

July 28, 1905.

Motor service: Your telegram of 27th July.

Do you think that motor service to Bam only would compete with Russian service to Tehran for markets of Central Persia? The former town is surely as far from them as Bushire. My view was that goods should be brought from Shiraz to Ispahan, and even to Theran, by motor.

(7.)

Government of India to Sir A. Hardinge.

(Telegraphic.) P.

August 9, 1905.

Motor service: Your telegram No. 132.

We have sent the following telegram to Major Sykes on the 31st July:—

"A motor service, which is just going to be established by the Russians on the Hamadan-Kazvin and Tehran-Tabreez roads will render their commerce predominant in Central Persian markets. The possibility of a counter-move is being considered by us. It appears that we can adopt one of two alternatives. The first is, the establishment of an English motor service from Shiraz to Tehran. This route has the disadvantage of probably benefiting Russian trade as much as our own, and cost and delays of Shiraz-Bushire caravan route would seriously handicap it. It would involve considerable expense to convert Firuzabad route, which has been suggested, into a road for automobiles.

"If, however, some service of this kind is not started on the main high road, the Russians may try it on reaching Tehran, and will be able in any case to encroach to a considerable degree on our actual commercial sphere. The second alternative, suggested by Newcomen, is that we should obtain a concession for a road and motor service from Bunder Abbas to Bam, and possible extension from Bam to Kerman and Yezd. This route would increase our influence and trade in South-East Persia. Roads, however, would have to be constructed before motors could travel on them, and it probably would not enable us to compete with Russia in Central Persia. Government of India would be glad of your advice respecting the two proposals (a) as check to Russian schemes;

(b) on their own merits. We wish your opinion, more especially with regard to probable cost of Bam route, and how far a commercial service might extend from Bam; also its value as a commercial enterprise."

The following telegram was received from Major Sykes in reply on the 2nd August:—

"With reference to your telegram of the 31st ultimo, I am strongly of opinion that Imperial Bank of Persia should entirely or partly be taken over as a preliminary step. From political, geographical, and commercial point of view, Bunder Abbas-Rigan-Bam route is the best in Persia. As I have repeatedly reported, Seistan and Central Persia are easily accessible from Rigan. It is the best route for checking Russia, and on its own merits if only one route be adopted. It could in time serve Shiraz-Tehran route. Concession for the whole of Southern Persia up to Seistan, Kain, and Ispahan should be obtained. The service would be costly, but could be effectually extended over almost the whole of Central and Southern Persia. Commercially it would not be remunerative at first."

We need not consider question of Imperial Bank at present. We are still of the opinion that concession described in my telegram of the 26th ultimo should be included in compensation to be demanded from Persia on account of its value on independent grounds. As there is no road from Shiraz to Tehran, we should not be able by this route to compete immediately with Russian service to Tehran for central markets, but motor car monopoly would be of value as a means of preventing Russian service being extended southwards. We therefore recommend that rights of Sani-ed-Dowleh on Tehran-Shiraz road should be acquired in the same manner as the Russians obtained them. Russians will buy them, unless we do so. We should be glad of your views.

(8.)

Sir A. Hardinge to Government of India.

(No. 138.)

(Telegraphic.) P.

August 10, 1905.

Motor service: Your telegram of the 9th August.

The following is, I believe, the situation with regard to the rights of the Sani-ed-Dowleh. He protested against the employment by the Russians of motors on their roads, independently of himself. They told him, however, that though his concession might give him monopoly on roads not already conceded to foreign Companies, it did not, in their opinion, preclude Russian Company from employing motors on its own road any more than any other means of transport. It seems that Persian Government could not defend his monopoly against these arguments, and it would consequently be possible for us to run motors immediately from Tehran on same grounds, and even to Shiraz, if we could obtain extension. Russians would, I understand, permit Sani-ed-Dowleh to run motors on their roads. As yet I am ignorant of the precise nature of his arrangement with the Russians, but have reason to suspect that loan which he tried to obtain from Imperial Bank without success last year to purchase cars, &c., in Europe will be advanced to him by Russian Bank in return for withdrawal of his opposition. He is now endeavouring to sell some land in Fars for this purpose. We should have to obtain consent of Persian Government to absolute transfer of his rights on southern road, and while Shah is absent, this could not be done till he returns.

(9.)

Sir C. Hardinge to Government of India.

(No. 139.)

(Telegraphic.) P.

August 12, 1905.

Motor service: My telegram No. 138.

I am informed by Sani-ed-Dowleh that no understanding exists between him and the Russians; he thinks, however, that he will be obliged to acquiesce in their competition on their own roads. Persian Government would not grant them exclusive rights which they wished on the latter.

He has already purchased six cars, and states that 1 kan 25 per khalvar a farsakh as against existing charge of 3 kans for animal carriage will be charged. He says that he will allow us in return for pecuniary assistance to compete on road south of Ispahan. He is still endeavouring to obtain a loan of 20,000*l.* from Imperial Bank, who will only advance it with a guarantee from Government. This might prove basis for an arrangement.

Transport of motor from Europe to Tehran costs about 1,000*l.* without including custom dues.

No. 74.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 174. Confidential.)

My Lord,

Gulahek, August 12, 1905.

I AM glad to be able to inform your Lordship that a notable improvement has taken place in the state of affairs at Urumiah largely owing to the energy of the new Governor, Imam Kuli Mirza. Both Dr. Cochran, of the American, and the Rev. O. Parry, of the English, Mission have respectively reported to the United States' Legation and the British Consulate-General at Tabreez a great increase in the security of the Christians, and Mr. Parry now believes himself safe in visiting, for the first time for many months, the Mission settlements outside Urumiah. As an instance of the new Governor's attitude, I may mention that a fanatical riot against the Jews broke out in Urumiah a few weeks ago on the well-worn pretext that a Jew had seduced a Moslem woman. Nothing is easier or more popular, as was shown the other day at Meshed (with the difference that the alleged culprit was in the latter case an Armenian), than to organize a religious tumult on this account. The usual procedure is, I believe, for the victim's enemies to conceal a pair of drawers belonging to a Mahomedan lady in some prearranged place, preferably under a bed or sofa, in his house; a surprise party then visits the spot, and, of course, at once pounces on the *pièce de conviction*, which is carried in triumph through the streets, whilst a virtuous mob loots the supposed seducer's dwelling, and those of his co-religionists, in the name of morality and Islam. In the present instance, the vigour of Imam Kuli Mirza stopped the riot thus begun at the very outset; he is said to have beaten with his own hands both an important Mollah and the Chief of Police, who was encouraging instead of restraining the mob, and his action probably saved the lives and certainly the goods of many Jews. For this and for the way in which, mainly owing to a combination of personal vigour and local influence, he has kept the Kurds in order, I have written him a letter of thanks.

The Valiahd has, in compliance with the demands of the United States' Legation, resolved to dispatch a Special Commission to Urumiah to try the various Kurds who were brought here last spring, on a charge of complicity in the murder of Mr. Labaree, and who will be sent back under escort for this purpose. Dr. Cochran, of the American Mission, has been requested by Mr. Pearson to attend and watch the proceedings on behalf of the United States' Government. I am asking the Persian Government, in the note of which I have the honour to inclose a copy, that the Special Commissioner shall at the same time conduct an inquiry into the attack on Captain Gough, at which Mr. Wratishaw shall be present.

The Persian official whom His Imperial Highness has selected for this duty is the Nawab Hussein Kuli Khan, C.B., whose antecedents are already known to your Lordship, and who is at present Head of the American Department in the Tehran Foreign Office. Hussein Kuli Khan is doing all he can to avoid this mission, as he shrinks from the odious task of acquitting men almost certainly guilty of murder, whilst he knows that if he convicts them he will forfeit the good-will of the Prince Regent, who now honours him with special marks of regard and confidence. It is probable, moreover, that any attempt to stifle justice or reduce the trial to a farce will, if reported by Dr. Cochran, be resented by the American Government as a breach of the Agreement of last January.

In last month's summary your Lordship was informed of the assassination at Tabreez by the Prince Regent's orders of the Kurdish Chief Jaffer Aga, whose rebellion last year in Salmas gave a good deal of trouble to His Imperial Highness, and was urged by him at the time as a reason for deferring any measures against Dasht. The details of this incident, which have now reached me, would seem to foreshadow a

renewal of conflicts with the Kurds in that part of Azerbaijan, as Jaffer Aga had made his peace with the Persian Government, and had spent a few weeks at Tabreez as its honoured guest. He was, in fact, just leaving Government House at the close of a farewell visit to the Nizam-es-Sultaneh (Acting Governor-General of Azerbaijan), when he was shot in the back as he was passing through his Excellency's ante-chamber. By some oversight no arrangement had been made for overpowering or dispatching the retainers, about seven in number, who accompanied him, and who, seeing their Chief fall, began to fire their muskets in all directions, one bullet entering the wall a few inches above the Governor-General's head. A free fight followed between his Excellency's armed attendants and the Kurds, but the latter were quickly worsted, though the Persian soldiers on guard, so I am assured, instead of assisting the Nizam, took refuge in the cellars till all was over. Two of the Kurds were shot dead; the remaining five or six made their escape, not, however, without killing some fifteen Persians.

Next day the dead bodies of Jaffer Aga and of the two retainers who had shared his fate were dragged naked through the bazaars of Tabreez and hung up by the feet from a gallows in the public square—an outrage as clumsy as it was brutal, since it proclaimed that this Chief's treacherous murder was not, as is sometimes alleged in such cases, accidental, but deliberately planned. The Acting Governor-General was, I believe, from the first against his death, foreseeing a recrudescence of trouble with the Salmas Kurds; but the Prince Regent, who is stubborn, insisted on it as a necessary deterrent. Now I hear His Imperial Highness is trying to put the blame for any untoward results on the Nizam-es-Sultaneh, and I have had proofs within the last few days that he is working with the Russian Legation to discredit and embarrass his Excellency.

As your Lordship will observe from my note to the Mushir-ed-Dowleh, Mirza Hussein Aga of Urumiah, who did so much to stir up the Dasht Kurds against the Christians, is still at Tabreez. He appears, however, to be in failing health.

With respect to the only other matter still at issue in connection with Urumiah affairs, namely, the position of the Majed-es-Sultaneh, I have the honour to report that the Valiahd has now informed me that he has telegraphed for the Shah's authority to allow the Majed-es-Sultaneh to go to Tiflis, and I hope that this incident may soon be closed. His Imperial Highness has heard with intelligible annoyance of the transaction between the Majed-es-Sultaneh and Mr. Stevens; and Hussein Kuli Khan hinted to me a few days ago that the Mushir-ed-Dowleh considered it of doubtful legality (the practical security being real estate which no alien could hold), unless sanctioned by the Persian Government. I replied that when Haji Nazim-ed-Dowleh was dismissed from the Governorship of Urumiah at our instance last year he entered into a precisely similar transaction with the Russian Bank, and that I should insist on equal treatment in the Majed-es-Sultaneh's case.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 74.

Sir A. Hardinge to the Mushir-ed-Dowleh.

Your Excellency,

Gulahek, August 12, 1905.

I HAVE been informed that a Special Commissioner is about to be dispatched to Urumiah to try the Kurds accused of complicity in the murder of the late Mr. Labaree, and that a Representative of the United States' Government is to be present at the proceedings.

I would ask your Excellency to arrange that the officer should either before or after the inquiry into the Labaree murder also hold one into the circumstances of the attack on His Majesty's Acting Consul at Urumiah, respecting which, notwithstanding repeated assurances on the part of the Persian Government, no satisfaction has as yet been given or steps taken, and that His Majesty's Consul-General at Tabreez should attend this inquiry and the trial of the persons who may as its result be apprehended in the same way as an American Representative is to attend that into the murder of Mr. Labaree. I would also ask that he should be empowered to pay a substantial sum as blood money to the relatives of the late Mushi Daniel, who have as yet received no indemnification for the admitted murder of the latter by Seyyed Shafar.

Your Excellency's note of the _____ contains an assurance, which has been conveyed to His Majesty's Government, that Mirza Hussein Agha will be summoned to Tehran. He is still at Tabreez, and, as he cannot do much mischief there, I do not press for his being summoned here during the Shah's absence. But I think that the fulfilment of this assurance should not be delayed after His Majesty's return to Persia.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 75.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 175.)
My Lord,

Gulahek, August 14, 1905.

I HAVE the honour to transmit herewith, with reference to previous correspondence, a copy of a telegram which I have just received from His Majesty's Consul in Seistan respecting the functions of the Russian Inspectors on the Meshed-Seistan line, and of a note which I am addressing on this subject to the Mushir-ed-Dowleh.

If, as I anticipate, the Kuchan-Kudan line is built, and, in spite of the procrastination of the Minister of Telegraphs, the Russian Legation is using its influence with the Valiahd to press for the immediate commencement of the work, it will be very difficult for the Shah on his return to continue to refuse to grant us the Kuh Malek Siah-Seistan extension. I think, therefore, that there is every likelihood that we shall succeed in obtaining it in the course of the next few months. The Persian Government will, however, probably insist that it shall, like the Kuchan-Kudan line, be an exclusively Persian one, built and managed by the Persian Minister of Telegraphs, and not by the Indo-European Department, though, as we have already signallers at Nasratabad, it will probably not object to their employment in a similar capacity between Nasratabad and Kuh Malek Siah.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 75.

Consul Macpherson to Sir A. Hardinge.

(No. 2.)

(Telegraphic.) P.

Seistan, August 13, 1905.

RUSSIAN Inspector at Shush has given me the following details with regard to the Russian employés on the Meshed-Seistan telegraph line.

Supervision of the line and repairs are intrusted to the two Inspectors and six mechanics. Persian authorities have direct control over them, and pay them half their salaries, while the Russian Government pay the other half. The work of the two Departments is independent. They have control over all the Persian "gholams" on the line, but not the signallers. The Russian signallers have a status distinct from that of the line staff.

Russian signallers receive their orders and salaries from Tiflis, and are in no way connected with the Persian Government.

If one can rely on this information—which is likely—it will be impossible for us to have any part in the control of the line unless status and powers equal to those of Russian Inspectors be granted to our signallers. Under these circumstances, do you not think it advisable to apply for this, if only to use (as an additional lever for obtaining the extension from Robat to Nasratabad) the complicated situation which would certainly be caused thereby.

Inclosure 2 in No. 75.

Sir A. Hardinge to the Mushir-ed-Dowleh.

Your Excellency,

Gulahek, August 14, 1905.

HIS Majesty's Consul in Seistan informs me that the two Russian Inspectors and the six Russian mechanics whom the Persian Government have, notwithstanding the

strong assurances given to me by your Excellency last spring, consented to employ on the Meshed-Seistan line, have not merely been allowed to have access to the offices, but have been given authority over all the Persian "gholams," and receive their salaries half from the Russian and half from the Persian Government. I should be glad to be informed by your Excellency if this statement is correct, as in that case I shall have, by your own admission, the right to claim that half the salary of the English officials whom the Government of India has placed on this line shall also be paid by the Persian Government, and that they shall be invested with the same authority over the Persian "gholams" as has been bestowed upon their Russian colleagues.

I have the honour in this connection to remind your Excellency of the inquiry which I addressed to you in my note of , respecting the connection by a telegraph line of Kuchan with the Transcaspian frontier at Kudan, and to ask whether your Excellency is yet in a position to promise me the corresponding connection between Nasratabad in Seistan and the Indian frontier at Kuh-i-Malek Siah. I wish it distinctly to be understood that I have no objection to the construction of a new line of telegraph connecting Meshed with the Russian frontier, provided that identical facilities are afforded to English Consular officers and English merchants for direct telegraphic intercourse between Seistan and the Indian frontier. Your Excellency will, I feel sure, agree that to grant the one and to continue to refuse the other would be to display a partiality as against British interests inconsistent with those friendly sentiments which the Persian Government has always professed towards that of the King Emperor, and which have again found expression in the special mission to London of his Highness the Ala-es-Sultaneh.

I earnestly trust that I may be in a position when I reach London in the course of the next few weeks to inform His Majesty's Ministers that full and absolute equality has been conceded not merely as regards the position of their respective signallers on the Meshed-Seistan line, but also in the matter of the connection of that line with the frontiers of Transcaspia and India to the Russian and British Governments.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 76.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 178.)

My Lord,

Gulahek, August 16, 1905.

I HAVE the honour to transmit to your Lordship herewith the usual monthly summary of events in Persia which have not been recorded in other despatches.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 76.

Monthly Summary.

Tehran.

THERE is little to report during the course of the past month from Tehran itself, which, owing to the absence of the Court, has been unusually quiet.

The Prince Regent carries on the Administration fairly successfully and satisfactorily, but the impression created by the vigorous action with which he inaugurated his Regency has passed away, as it has gradually been realized that his powers are of a very limited character, and that every important question has to be referred by him to the Shah and Grand Vizier. He himself is alleged to be dissatisfied with the scant authority allowed to him, and to be anxious to return to Tabreez, where, though the area in which he exercises his powers is much smaller, he is permitted to have a freer hand.

There is a tendency observable on the part of the Russian Legation to take advantage of the Russophil sympathies professed, whether sincerely or not, by His Imperial Highness, in order to interfere in many matters of detail and to procure the

[This despatch should have appeared on p. 76 after No. 75.]

No. 75*.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 2.)

(No. 177.)

My Lord,

Gulahek, August 15, 1905.

I HAVE the honour to transmit herewith, with reference to my telegram No. 87 of the 23rd ultimo, and my despatch No. 109 of the 17th May, a copy of a despatch from His Majesty's Consul at Kermanshah, together with a copy of my reply, on the subject of the capture by the Firman Firma of certain Direkvend Mirs concerned in the attack on Colonel Douglas and Mr. Lorimer.

I have at the same time the honour to transmit a photograph of these prisoners,* which has been sent me by Prince Nosret-ed-Dowleh, a son of the Firman Firma's, who is acting as his father's Aide-de-camp and Private Secretary, and which may enable Colonel Douglas to identify those of the men captured who were actually concerned in the outrage.

In view of the success which has attended the Firman Firma's efforts to secure the persons of these offenders, I have abstained from pressing the Persian Government to resume active operations against the Lurs until I hear more from Captain Gough of His Highness' actual plans. It is possible that the possession of these hostages may enable him to negotiate with the tribe for the surrender of the remaining guilty Mirs, especially if he is able to promise that in that case the capital penalty will not be inflicted upon them. I have as yet no information as to the methods by which he captured them, but I have very little doubt that he employed treachery for the purpose, and that the remaining Direkvend Mirs are likely on that account to hesitate before placing themselves in his power, but it is possible that an assurance by His Majesty's Legation that if they submit and come in their lives will be spared, may carry with them a weight which would not attach to any merely Persian promises.

I await your Lordship's instructions to me, or, should I have availed myself of your permission to take leave before they can reach me, to Mr. Grant Duff, as to the punishment which should be inflicted upon these prisoners, before making any communication on the subject to the Persian Government.

As regards the payment of compensation for the outrage which, as your Lordship is aware, I have claimed, but which the Persian Government has endeavoured to escape on the ground that the British officers were responsible, in so far as they disregarded the warnings of the local authorities, there is, I fear, little likelihood of my obtaining a satisfactory reply so long as the Shah and Grand Vizier, to whom every question of importance is referred by the Prince Regent and the Mushir-ed-Dowleh, are absent from Persia. It will be necessary to await their return before this demand can be pressed with any prospect of a successful result.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 75*.

Consul Gough to Sir A. Hardinge.

(No. 56.)

Sir,

Kermanshah, July 20, 1905.

I HAVE the honour to confirm my telegram No. 5 of yesterday's date, informing you that I had heard from his Highness the Firman Firma that he had captured twelve more Direkvend Mirs.

[1571]

* Not printed.

U*

The full list of his captures is now as follows:—

1. Mir Haji Khan.
2. [Mir Nazar Ali Khan], son of Mir Haji Khan.
3. [Mir Se Mahad Khan].
4. Mir Jafar Khan.
5. Mir Ali Khan.
6. Mir Nishat Khan.
7. [Mir Kani Khan].
8. Mir Farhad Khan.
9. Mir Isa Khan.
10. [Mir Taimur (or Tatar) Khan].
11. [Mir Sarhang], brother of Taimur Khan.
12. [Mir Ismail Khan].
13. Mir Asad Khan.

The names underlined ^c are on the list of the "actual authors" of the crime, as given to me by Captain Williams. The men are now in prison at Burujird.

I should be glad to hear from you what steps, if any, I am to take with reference to these men, or what communication I should make to his Highness.

His Highness also informs me that he has found one mare and five mules, the property of the officers.

I have, &c.
(Signed) H. GOUGH.

Inclosure 2 in No. 75*.

Sir A. Hardinge to Consul Gough.

(No. 4.)
Sir,

Gulahak, July 29, 1905.

I HAVE received your despatch No. 56 of the 20th instant, informing me of the capture of twelve Direkvend Chiefs, including six of the authors of the outrage on Colonel Douglas and Mr. Lorimer.

You should write to the Firman Firma, congratulating his Highness on this success, and informing him of the gratification with which I have heard of it. You should add that you trust that his Highness will shortly crown it by arresting all the remaining authors of the attack.

I am writing myself to his Highness, from whose son and Secretary, Prince Nosret-ed-Dowleh, I received information of the capture of these Mirs.

I am, &c.
(Signed) ARTHUR H. HARDINGE

Annex 1.

Vice-Consul Lorimer to Foreign Office.

Sir,

October 14, 1905.

I HAVE the honour to acknowledge receipt of a photograph of the Direkvend Mirs arrested by the Firman Firma, and of a series of documents referring to Luristan affairs, forwarded to me under your orders. I regret that there has been unavoidable delay in acknowledging them.

I forward, inclosed, a separate note on the identification of the prisoners in the photograph, and return the photo.

I am not clear whether I am intended to comment on the other papers, some of which are now very old. As, however, silence might be thought to imply entire agreement, I shall note the points on which I find myself at variance, whether as regards facts or opinions.

2. Turning to the basis of the file, Captain Williams' despatch dated the 26th March last, the first matter of interest is the account of the secret history of

* Printed within brackets.

the outrage as given by the Firman Firma. I think that Captain Williams had probably the best of reasons for believing in the sincerity of the Firman Firma, for it is quite likely that the latter himself believed in the truth of his statement. That, however, goes a very short distance towards proving its truth.

Personally, I am as much convinced as one can be of anything that does not take place before one's eyes in Luristan, that the Fath-i-Sultan had nothing to do with the planning of the outrage.

The facts adduced in support of his complicity can be accepted without raising any real presumption in that direction. I should also feel disposed to acquit the Muzaffer-al-Mulk, though in this case I do not know the accused personally.

The Firman Firma evidently will not accept his trials as fortuitous or sent by providence, and is seeking for a human explanation.

In Mir Ali Khan (Sagwand), however, I have no confidence, and if it could be proved that he and the Beglar Begi had subsequently profited by our robbery, I would incline to view them as probable coinstigators of it.

It is true that Mir Ali Khan and Fazil Khan (Khaujan Khan) are bitter enemies, and that, at the same time, they have separate dealings with the Direkvend; but I do not think that there are two parties among the Direkvend in the sense that one could take action without the consent of the other. An undertaking with only half the Direkvend would be worthless for practical purposes, though such partial understandings might temporarily exist.

To proceed, however, to matters of fact. The agreement for my journey was not made as represented.

One Barani, Kat Khuda, of the Beharwand (an independent sub-section), bound himself by oath to Khaujan, and the representative Mirs of the Direkvend, who were all present, bound themselves in a similar way to him for my safety. The Mirs referred to included Mir Naji and his relations, as also all the other principal Chiefs, e.g., Mir Tatar (with Mir Baba Khan and others of his party), and the sons of the once-powerful and then lately deceased Namdar Khan.

To the best of my knowledge Mir Rustam (locally Rusam) is the son of Mir Khan Namdar and the brother of Mir Kazim Khan. This fact I confirmed again, as far as possible, after my return to Ahwaz.

This, and the fact that Mir Rustam was doubtful of his own footing so soon after his father's death and did not take a very influential part in the various negotiations, seem to knock the bottom out of the Firman Firma theory. Mir Namdar died in July.

The message ascribed to Mir Ali Khan is not in the least consonant with the existing facts. Both parties were present not only on my upward journey, but again at Shah-in-Shah.

The story of Mir Tatar, &c., joining us later with a strong contingent is an absolute myth.

They had all come up with me and remained at Shah-in-Shah, amusing themselves with raiding in the surrounding country till Colonel Douglas and I joined them there about a week later.

All that depends on this assertion goes therefore by the board.

Eventually there were considerable differences among the Mirs, but only, I am convinced, as to the method to be pursued in despoiling us.

So far as appearances went, previous to the final catastrophe, Mir Tatar and Mir Nazar Ali Khan were the moderates, though Mir Tatar was the first to broach the question of blackmail, and the chief spokesman until shortly before the end.

In Captain Williams'—

§ 3.—(1.) The Mir referred to was Mir Tatar.

(2.) I never to my recollection made any such statement. There had been some accretion the previous day to a convoy of plundered cattle which the Mirs were escorting along with us, but I do not think this brought any recruits to our despoilers.

(3.) Probable.

(4.) Possible; but I am not by any means certain that the affair was a foregone conclusion when we joined the Mirs at Shah-in-Shah.

(5.) I should not set any weight on this argument.

(6.) I cannot agree with either of the points mentioned.

§ 4.—(1.) If my facts are correct, especially as regards the relationship of

Mir Rustam, the scheme of differential treatment for the two (somewhat supposititious) parties is largely deprived of its rationals.

As far as my observations carried me, there were three main parties or factions—Mir Hadji's, Mir Tatar's, and the sons of Mir Namdar (Mir Rustam and Mir Kazim Khan).

Where, however, freedom of speech and dissentience of opinion are so conspicuous, it would require accurate knowledge and long experience to render possible any estimate of exactly how far, and when, the existence of such parties would become a factor in the determining on a proposed course of action.

There are no primary reasons for absolving Mir Nazar Ali Khan.

With Mir Barkhurdar Khan I am acquainted, but he was not with us; I know nothing of "Mir Mehr Ali Khan."

(2.) I should not lay much stress on a money fine. In such cases it is a poor policy to take from those that have not even that they have. It would probably fall heaviest on innocent people, and it would have no moral effect. A fine of rifles, which abound, whether put on the tribe, or on the families concerned, could only be considered desirable from every point of view. When, however, the Persian Government are in a position to exact rifles from a Lur tribe, they will have solved the problem of governing Luristan.

I cannot consider it likely that serious internal disruption could be produced among the Direkvend.

Mir Haji, however willing, with an unpopular cause, would not venture even to raise his voice, and it is improbable that he would receive any armed assistance from Fazil Khan in Direkvend territory.

§ 5. I would subscribe to the first alternative.

§ 6. I do not think that there is much to be gained either in security or permanence by putting the arrangements for opening the Luristan route in the hands of Persian officials. It may, however, be difficult to refuse their overtures, especially now that the whole question has been dragged so much into the light.

The Firman Firma has for months been declaring that he is on the point of throwing open a caravan route between Khuramabad and Dizful, but up to the beginning of September, the date of my latest advices from Dizful, there were no indications of facts being about to take the place of words.

Even if the Firman Firma did succeed in opening a route, there is no guarantee, scarcely even likelihood with an eye to the past, that he or his successor would be able to keep it open for a year. Mutability is the key word to Luristan affairs, and every extra intermediary is only an additional element of uncertainty.

§ 7. It is true that there is a better alignment for a road further to the west, but better only from an engineering point of view. It would be longer and it would not at all lie out of the range of the Direkvend. It would rather offer a perpetual alluring bait to them, and they would have no vested interests of their own in it to act as a restraint on their natural instincts.

The Direkvend problem could be practically evaded by adopting a route through Pusht-i-Kuh and the territory of the Fath-i-Sultan. But the journey would be some five days longer, and the large river of the Semara or Kerkla would have to be crossed twice. I wrote to the Indian Government on the advisability of temporarily instituting this route, but the question had to be set aside as I failed at that time to get into touch with the Wali of Pusht-i-Kuh. Quite recently, however, I have received assurance from him of his readiness to co-operate. The terms he indicates—100 sowars and the construction of serais—are formidable, but he expresses a great desire to talk the matter over with me personally, and it might be possible to secure some modifications.

For the other half of the route (Semara to Khuramabad) I hold signed agreements from the Fath-i-Sultan. He is content with 30 sowars, costing in all 750 tomans (say 130*l.*) for six months.

It is, I believe, a mere question of money; and the Wali and the Fath-i-Sultan are the two most stable powers in this quarter of Persia. This, though recommended only as a temporary expedient, would afford an outlet for trade, prove to the Direkvend that they do not entirely dominate the situation, and can even be ignored, and put us in friendly contact with the most important local potencies.

For our permanent establishment at Luristan, however, our soundest policy is, I am convinced, to tackle and settle the Direkvend problem. It would give us the shortest route, do much to pacify Luristan, secure us a more than local prestige, and earn us at least a caricature of gratitude from the Lurs themselves and the

inhabitants of the neighbouring towns. Of course, arrangements with the Direkvend for the institution and security of the route can only follow a satisfactory vindication of our claims for justice against the tribe, of which might not they form an integral part?

§ 8. If there is a probability of the Firman Firma's really remaining in charge of the joint Government of Kermanshah and Luristan for two or three years, which even without the information supplied by Sir A. Hardinge, would hardly be likely, it might be well to take advantage of any private friendship which he professes towards us, to secure his assistance in making arrangements for the opening of the road.

I would deprecate, however, putting the conduct of negotiations into his hands, by which we should lose all credit in the eyes of the tribes, for independence and the capacity of managing our own affairs. It is needless to urge the necessity of guarding against dealing with the Firman Firma or any one else in this matter, as a Persian Government official; for the Persian Government would probably deduce a right from this circumstance to attempt interference in our relations with the tribes whenever in the future it suited them to do so.

I am not sure that the Firman Firma is personally so indispensable as he would have one believe, or that whatever attraction co-operation with us offers him could not be brought to bear with equal force on a successor.

The important point in this connection is how far the Governor enjoys the good graces of the Tehran authorities, or is able to be independent of them.

§ 10. On the contrary, I had much trouble on the way up with the Mirs; but I thought that the experiment having been once successfully carried out, it would be safer and easier in the repetition.

I agree with the Firman Firma's dictum, which is itself an additional reason for discarding the elaborate story to which he has given credit.

3. This concludes the examination of the situation as it presented itself to Captain Williams in March. Later events have done little to simplify the issues. Sir Arthur Hardinge's despatch No. 109, of the 17th May, 1905, shows, however, that the idea suggested of working through a combination of Fazil Khan (Sagwand) and Mir Haji has had to be abandoned.

Still later, the illusive success of the Firman Firma in capturing certain of the Mirs has monopolized attention. The Firman Firma's success I regard as very equivocal. He may succeed in the course of time in securing all the offenders. On the other hand, he very probably will not. If he does succeed the major share of the prestige in Luristan accruing from success will very properly attach to him and not to us.

His late *coup*, which was largely of the nature of a *coup manqué*, is likely to indefinitely postpone the capture of the remaining culprits.

Whether or not we give guarantees for the safety of certain individuals whom it suited our book to spare and employ, would, in my opinion, have very little effect.

As far as I gather, it has been in general determined to accede to the Firman Firma's taking what action he thinks best, when he thinks best, and to deal with questions piecemeal as they come up. It is difficult to see that any other course is open in view of the postulates which have been accepted.

An application of pressure to the Persian Government to organize, or to allow us to organize, measures of reprisal by enlisting the assistance of the Wali of Pusht-i-Kuh, or the Bakhtiari or others has been ruled out as inexpedient. This plan would afford the only means of settling the question of discipline by force, and of arbitrarily initiating the trade route on a basis in which the condescension of the tribe and blackmail could have no place.

The inability of the Persian Government to bring armed force itself to bear on the tribe has been recognized.

The importance of avoiding causing injury to the susceptibilities of the Firman Firma, as a prospective Prime Minister, has come under consideration and been subscribed to.

4. Relieved of the necessity of formulating an active policy, there are perhaps only two possible future cases which it is worth while to face and consider.

The one is that of the Firman Firma's failure to push matters to a satisfactory termination. This eventuality, when it is judged to have arisen, will demand a fresh consideration of the whole question in the light of existing circumstances.

The second case is the extremely hypothetical one of the Firman Firma's shortly attaining success.

Given all the offending Mirs in the Firman Firma's hands, what line then should our demands take?

The gravity of the offence, and still more the re-establishment of our prestige in Luristan, Arabistan, and the adjoining countries, make some exercise of capital punishment imperative.

The difficulty at once presents itself of determining who are (in Colonel Douglas' phrase) "the principal offenders"; and excepting the men themselves, I doubt whether there is any one existing qualified to give a just decision on this point.

We might, of course, demand an arbitrary number of executions and the delivery of the remaining culprits into our hands for transportation or other treatment.

With a view to gaining some hold on Mir Haji, who is, I think, the most practicable of the Mirs, we might spare his son, and at the same time we should condone Mir Tatar's share in the affair. They both, till the crisis, professed to be peacemakers, and might be given the benefit of their professions. For a Direkvend Mir, Mir Tatar is a man of influence, and he might be useful.

Before releasing any one, we might extract an agreement from them and from the rest of the tribe, for the protection of the road, all the details of pay and obligations being drawn up on an equitable basis and set down in full.

I do not think that the bulk of the tribe are ill-disposed to the road project. The difficulty hitherto has been the hopeless entanglement of jealousy, suspicion, and conflicting interests existing between the numerous nominal Chieftains all claiming equality of rights.

We might keep a few selected hostages under sentence of death or transportation, but to be released after two or three years if the work of the road had been carried on satisfactorily.

I still incline to think that the road once fairly started could be kept going, but this is a point on which there is room for great difference of opinion.

It should also be remembered that we should still have the Beharwand and Lalawand sections to come to terms with.

5. Before closing, I may add that my latest advices from Dizful, received to-day, state that the Governor (i.e., Firman Firma) had released Mir Haji Khan and Kat Khuda Bavani (presumably the Beharwand), and that subsequently he sent Mir Haji's son to Kermanshah.

The last move had brought Mir Haji back to Khuramabad to inquire its meaning.

Earlier reports received a week ago stated generally that the Firman Firma had dismissed the Mirs, at the same time making them responsible "for the road" and the payment of the revenue, and that Government Agents had also been dispatched to their country to receive the latter.

All these statements, of course, require confirmation.

I have, &c.

(Signed) D. L. R. LORIMER, Captain,
His Britannic Majesty's Vice-Consul for Arabistan.

Annex 2.

Note on the Photograph of Direkvend Prisoners.

THE only man I could swear to in the photograph is the one recognized by Colonel Douglas. I am not sure of his name, but I have often talked with him, and have not the least hesitation in indicating him as one of the most active spirits in the affairs which lead up to the catastrophe.

In view of the clearness of this one instance, it is with considerable surprise that I find myself unable to claim certain acquaintance with the subjects of any of the remaining portraits.

Colonel Douglas is wrong in supposing that the white-bearded man is Mir Haji Khan. Nos. 2, 8, and 11 from the left of the line are the least unlike Mir Haji, but I do not think that he appears at all.

I am also unable to trace his son Mir Nazar Ali Khan, though it is conceivable that the young man No. 5 from the left of the line is intended to represent him.

Nor do I see any one resembling Mir Tatar (I have never heard the alias "Taimur"), of whose appearance I have a very clear remembrance.

Most of the faces in the photograph have a familiarity for me as being common Lur types, but they do not suggest themselves as those of the men who are wanted, many of whose faces I can recall to my mind very distinctly.

Particularly familiar seems the face of No. 2 from the left of the line, but I could not confidently assert that he was one of the gang with us at Kila Nasir.

I am inclined to be sceptical as to the presence in the photograph of all those mentioned in the list.

(Signed) D. L. R. LORIMER, Captain,
Vice-Consul for Arabistan.

October 14, 1905.

Annex 3.

Minute by Lieutenant-Colonel Douglas.

THE white-bearded man in the centre of the group is, I presume, Mir Haji Khan. He was not present at the attack on us, though his son was there, and I have no reason to believe that Mir Haji Khan was himself implicated. The man on Mir Haji Khan's right hand is, I believe, Mir Kani Khan,* who was one of the most active, and richly deserves punishment.

I am unable myself to identify any of the remainder, but my servant, who was with me at the time, says that he recognizes three of the others, viz., Nos. 3, 5, and 9,† counting from the right of the photograph (left of the line). I think he is right, and that the young man on Mir Haji's left hand is his son, Mir Nazar Ali Khan.

As regards the punishment to be inflicted, I am strongly of opinion that it should be such that it will act as a deterrent to any of the neighbouring tribes who might be inclined to commit similar outrages, and I think that nothing less than the execution of the men actually implicated will have this effect. The Persian authorities will doubtless also exact a fine from the tribe as a whole, and the remaining prisoners might be held as hostages until it is paid.

Captain Lorimer, who was with me, saw far more of these men than I myself did, he having travelled up with them from Dizful to Khuramabad before he met me. He is at present on leave in England, and could doubtless identify some of the men. His address is c/o H. S. King and Co., 9, Pall Mall.

(Signed) J. A. DOUGLAS.
Cavalry Club, Piccadilly, October 2, 1905.

* Marked underneath with a large x.

† Marked below with smaller x.

dismissal of officials who are supposed to be unfriendly to Russian interests. The Russian Minister appears to follow the system of appealing direct to the Regent over the head of the Mushir-ed-Dowleh, and in most cases his requests receive attention. This state of things would be very objectionable if the Prince Regent possessed greater power, or if his authority were more than temporary.

Such information as reaches Tehran about the movements of the Court in Europe indicates that the Shah is spending money with his usual prodigality. On his way to Vienna, feeling tired by the long railway journey from Baku to the Austro-Russian frontier, His Majesty decided to stop for a night at Lemberg, and a Secretary of the Persian Legation at Vienna was instructed to take rooms for the party at a hotel in that city. The bill presented to them next day amounted to 48,000 kronen, which the Ain-ed-Dowleh only succeeded in reducing to 44,000 kronen, a large portion of which is alleged here to have passed into the pockets of the Persian Minister at Vienna and his staff. The daily expenditure of the Shah at Paris is stated by a member of the French Legation to amount to between 60,000 and 70,000 fr., which makes it improbable that the funds set apart for the journey by the Grand Vizier will suffice to meet its cost without recourse being had to a fresh political loan from the Russian or British Governments.

It is now officially announced that the Shah will be received at the Russian Court on his way home, and the 26th instant is given as the date at which he will meet the Emperor at Peterhof. For some little time past great uncertainty has existed as to whether this visit could be arranged or not, the general tone among the Russians here being that the present moment was not a propitious one for it, and it was stated about a fortnight or three weeks ago that it had been definitely abandoned. Its successful arrangement is ascribed to the efforts of the Mushir-ul-Mulk, Persian Minister at St. Petersburg, who is said to have worked very hard to bring it about.

A good deal of interest has been aroused here by the news that the Amin-es-Sultan has had at least two interviews with the Shah in France, one of them of a brief and formal character, but the other, according to a very trustworthy informant, of about three hours' duration. The Amin-es-Sultan was received, not merely with great friendliness, but, according to well-informed persons, with an almost servile deference, by the present Grand Vizier, who is alleged to have kissed his hands, and the belief is growing that he will return with, or soon after, the Shah to Persia and resume office before many months have elapsed. His Majesty's Minister has been informed by a member of the Persian Government that the Ain-ed-Dowleh will, in this case, ask permission to withdraw to Meshed in order to spend the remainder of his days in praying for the welfare of the Shah at the shrine of Imam Reza, and that in anticipation of this contingency his Highness has been buying Crown lands to a large extent in the Province of Khorassan. It seems possible that the real explanation of the alleged sale of similar lands in Seistan is to be found in the fact that the Grand Vizier, who has really lent the money for the Shah's journey through the nominal agency of Persian merchants, is, through the same agency, buying land elsewhere in Eastern Persia with a view to recouping himself in the event of his fall from power.

The return of the Amin-es-Sultan to office would no doubt be regarded at first as a Russian success, but it appears very doubtful whether it would really benefit Russian policy, as the Amin-es-Sultan is hardly likely to forget his abandonment by the Russians in the hour of his need, whilst his travels, and particularly what he has seen in Manchuria and Japan, are believed to have considerably modified the views previously held by him as to the necessity for his country and for himself of cultivating close relations with Russia.

Meshed.

The Russian Consul-General has suggested to his Minister at Tehran that a Russian doctor should be intrusted with the inspection of the baths of the city. This would be a most unpopular measure, and a preliminary examination of the bath-houses by a Russian has already aroused popular resentment.

Turks of the Caucasus resident at Meshed are trying to induce the new Governor of the shrine to request the Russian Consul-General to send away all Armenians from the city.

The Grand Vizier has addressed from France a long note to the Mushir-ul-Mulk, Persian Minister at St. Petersburg, protesting against the despatch of a Cossack detachment to Meshed. His Highness points out that the disturbances there were the

direct result of the graver religious riots which the Russian Government failed to prevent in the Caucasus, and asks how the Russian Consulate has been in danger. The action of the Russian Government is characterized as unfriendly, and as having produced a regrettable impression on the Shah.

Arabistan.

The new Governor of Arabistan still continues the energetic measures reported in the last summary against the disturbing elements in Shuster, and is now introducing much-needed sanitary improvements in the town.

Relations between the Sheikh of Mohammerah and the Bakhtiari Khans are still strained, and Arab refugees now look upon Bakhtiari territory as a safe refuge. Mr. Preece, His Majesty's Consul-General at Ispahan, who is to visit the Bakhtiari country on his approaching return to Persia, is being instructed to do his utmost to compose the quarrel.

The Mohammerah-Ahwaz telegraph line is once more in working order.

Raiding in the neighbourhood of Dizful and Ahwaz still continues, and the whole district is in a most disturbed state. The new Deputy Governor, the Muaz-el-Mamalek, has, however, now reached Dizful.

Kerman.

The religious disturbances between Orthodox Shiah and Sheikhis have now come to an end owing to peremptory orders from Tehran to the Governor-General.

Azerbaijan.

Two new customs posts have been established at Merguever (Mellek-el-Mor), and at Erzini.

The Nizam-es-Sultaneh is administering the province energetically, and the anti-Armenian disturbances have ended owing to the belief prevalent among the clergy that they were being encouraged by the Russians.

Ispahan.

Agha Nejefi, one of the leading Mollahs of Ispahan, has been interfering in disputes between Messrs. Lynch and Messrs. Ziegler with their respective muleteers and camel drivers. Urgent messages from the Legation to the Zil-es-Sultan and from the Consulate-General to the Mollah in person only draw indignant denials from that individual, but there is no doubt of his complicity, and he has also been interfering in the Anglican Mission Schools, alleging that Christian religious instruction was being imparted to Moslem pupils. Sir A. Hardinge wrote to the Zil-es-Sultan, pointing out that the accusation was not likely to be true and was probably due to enemies of the Mission. At the same time he warned Bishop Stuart of the danger of Christian propagandism in the schools. A raid by the local Director of Customs on aniline dyes, whose importation is prohibited, caused considerable excitement in the town, and nearly resulted in personal violence to the Director, who has since been removed. The merchants consider the confiscation of their dyes unjust, maintaining that, their importation being illegal, they should be seized at the frontier.

Shiraz.

The Shoa-es-Sultaneh, Governor-General of Fars, recently sold for a large sum the office of Ikhan of the Kashgai tribes, and troubles have already resulted; certain of the tribe having got out of hand and started raiding.

The Valiah addressed inquiries on the subject to the Shoa-es-Sultaneh, who is his brother, and the latter took his interference ill, and considerable friction has resulted between the two brothers.

M. Passeg, the new Russian Consul-General, has arrived at Shiraz.

One hundred soldiers have taken "bast" in the Indo-European Telegraph Depart-

ment's office at Borasjun, their grievance being the delay in their transfer, which they state is long overdue. Measures have been taken to give them satisfaction and relieve the office of their presence.

Seistan.

The tri-weekly postal service between Nasratabad and Kuh-i-Malek Siah, mentioned in the last summary, has been duly authorized by M. Naus, Minister of Posts.

Captain Macpherson, while on tour in his district, was received by the Shaukat-ul-Mulk at Birjand with marked cordiality. He has now returned to his post.

It is reported that the Russian Bank have refused to accept Imperial Bank of Persia notes in repayment of loans to Katkhodas. The Russian Agent, however, denies the report.

A translation of the article from the "Trans-Caspian Review," on the subject of the Seistan Frontier Commission (referred to in summary of the 14th June last) is inclosed herewith.

There have been Perso-Afghan disputes on the Helmund with regard to the opening of new canals, which have, however, for the time being been settled largely owing to the efforts of His Majesty's Consulate.

Kermanshah.

The Firman Firma has built a modern hospital at Kermanshah, and, owing to the uncertainty of his position, has offered to hand it over to be managed by the Indian Government, continuing to subscribe yearly for its support. The matter is under the consideration of the Government of India.

MATTERS dealt with in separate Despatches.

Matters dealt with.	Despatch.	Date.
		1905.
American interests in Azerbaijan ..	Sir A. Hardinge's No. 159	July 22
Upper Karun navigation ..	" " 161	" 26
Cossack and sowar guards ..	" " 163	" 26
Russian claims at Meshed ..	" " 165	" 29
Shoa-es-Sultaneh's visit to India ..	" " 166	" 31
Kerman-Bander Abbas Road ..	" " 169	August 2
Agitation against Belgian Customs ..	" " 170	" 5
Motor services in Persia ..	" " 173	" 12
Urumanah affairs ..	" " 174	" 12
Meshed-Seistan Telegraph Line..	" " 175	" 14
Russians in Trans-Caspia ..	" " 176	" 15
Operations in Laristan..	" " 177	" 15

Inclosure 2 in No. 76.

Extract from the Persian Supplement of "The Trans-Caspian Review," dated May 1, 1905.

(Translation.)

To the Editor of the Newspaper "Mawr Bahr-i-Khizar."

I HAVE read your paper No. 15 of the 12th Mohurram. This, that you have given publication to a detailed account, penned by us poor people, of the literal facts and a full statement regarding the ceding of a large area of the lands of Holy Persia, which, by the arbitration and Award of the British Commission, in presence of the Persian Commissioner, was given to Afghanistan. On reading this we were exceedingly thankful to you.

God be praised! we are not ashamed before our consciences, for we have beaten, and are beating, the drum of these facts to different tunes and to the sound of despair in every direction from which we might expect hope, in order to see what may be wrought by the courage of the men of the day.

By the will of God the real opinion of the stricken people has reached the ears of the authorities of the Government, and they will have consideration for the boundaries of an excellent nation and the rights of a powerful Government. May God strengthen their pillars and impart vigour to their helpers, which is the first important care and duty binding on a Mahomedan people, and they will bring all the lands which have slipped out of our hands back to Persia as before, or, according to the words which are in common use to-day ("What business is it of mine? What business is it of yours? Mahshalla! Inshallah!"), they will be satisfied and leave things as they are.

In short, I state here, for the information of your readers, the conclusions from the previous communication: this, that after the English had excited the Afghans, saying that now the Russian Empire is engaged something may be gained, and it would be advisable for them to pick a quarrel with the Persian Government, since it has been settled that there shall be no other Arbitrator but the British Government, and at that time they will settle all necessary things.

The result was the coming of a British Commission to Persia and the appointment of an officer of the Persian Government from Tehran as Sarhaddar and Persian Commissioner. These officers, i.e., the British Commissioner and the Persian Commissioner, obviously had no knowledge of the lands of Seistan and its surroundings.

It is, indeed, worthy of attention that, from the very beginning of the arbitration up to the present, none of the officers asked any questions at all from a single one of the Greybeards, Katkhudas, or Revenue officers of Seistan, as to to which side such or such land has belonged during the past thirty years or to whom the revenue has been paid. That which has been done by the British Commissioner should not have been done without obtaining information, but information was obtained from the Afghans as to which tracts could by underhand means be taken from Persia in this arbitration, and what was the profit from each tract.

The lands belonging to Persia which have been given to the Afghans are stated here, one after the other, for the information of our readers—these lands from which revenues have been recovered by Revenue officers from thirty years ago to the present time, to all of which they have a separate claim.

On the northern boundary of Seistan:—

Three-fourths of the hills known as Nar Ahu and Madah Ahu, which are called Siah Koh, although the Siah Koh cited by Goldsmid lies now at a distance of 2 farsakhs or more to the north-east of Nar Ahu; Koh-i-Tabarkan, Koh-i-Zarkan, Koh-i-Sabzak, Chah-i-Reg, Chah-i-Hejna, Chah-i-Rustam, Shaud-i-Shirin, Shorah Gaz, Dasht-i-Gauri, Dasht-i-Chah-i-Shor, Kalak, Koh-i-Darazu, Nal-i-Ab, Koh-i-Chakab, Ajkimak, Naizar Mashjadak, Dahan-i-Nahaq, Chasma-i-Kah, Shugalak, Kulha-i-Khan, Tapa-i-Kharan, Naizar Maesh Kushi, Machatak, Naizar-i-Gaz Kushtar, Paiju, Tapa-i-Arawana, Shalgami, Reg-i-Saruni, and Laf-i-Takht-i-Shah.

Of the division known as Mian Kangi the cultivated lands that have been given away, together with the produce of their people, are—

From Deh Dost Mahomed Khan, 8 pagaos (a pagao is a plot of land producing 6 kharwars Tabreezi); inhabited but uncultivated land, 13 pagaos; deserted land, 40 pagaos.

From Band-i-Kuhak to Malik Siah Koh, one-third of the lands of Mashi, all the lands of Tarakhun, one-fifth of the lands of Kundar and Hauzdar.

This tract, from Band-i-Kuhak to Malik Siah Koh, has an area of about 100 square farsakhs. The area of the first-mentioned tracts has been left for calculation.

We hope that the authorities of the Government will give minute consideration and complete attention to this important place—Seistan—which is called the gate of Tehran by the Seistans, and will not let this large area go, nor will consent to the obvious loss to the Government, and the homeless state of the poverty-stricken subjects, or the poor subjects will be forced to emigrate.

As for the Naizar, which used to be a place for the flock-owners of Seistan, the better part of their share has fallen to Afghanistan. The flock-owners used to live in the northern and western parts of it during the winter and when water was scarce, while in the spring, when water is ample, they used to move gradually to the north and east. Now the tracts where, during the time of the abundance of water, the flock-owners used to live have gone altogether, and the poor peasants are in a state of destitution owing to their grazing grounds having become Afghan territory, and from this that the land that once formed part of Persia has now gone.

Now, if we are burnt or our mouths are sewn up we poor destitute people can still say this—

"We are not going to lose respect for poverty and contentment. Tell the King that our daily bread has been decreed."

What can we do, for now there is no one in this holy land who will buy the stuff of truthfulness and service to the Government for a grain? It is a pity that all Petitions are treated as a trouble and unprofitable things.

Every one who sees my hot tears in the world says:

"Why do you beat cold iron? Its heart is of steel."

However, God be praised! we are not deprived altogether of the means of circulating our Petition, owing to the presence of many Government officials who are well-wishers of the country and the nation. May God keep them happy and successful in their enterprises!

No. 77.

India Office to Foreign Office.—(Received September 2.)

Sir,

India Office, August 31, 1905.

WITH reference to Sir A. Hardinge's telegram No. 81 of the 24th June and despatch No. 141 of the same date relative to the decision of the Russian Ministry of Finance to organize a service of motor cars for the transport of Russian goods to Tehran, I am directed by Mr. Secretary Brodrick to transmit, for the information of the Marquess of Lansdowne, a copy of a telegram from the Government of India, dated the 19th instant, suggesting measures which might, in their opinion, be adopted in order to prevent injury to British commercial interests.

Mr. Brodrick gathers that, in the opinion of the Board of Trade, it is doubtful whether much practical advantage will accrue to Russian commerce from the contemplated step, and it appears to him that the considerations which have led the Board to this conclusion apply, in a greater or less degree, both to the countermeasures suggested by Sir A. Hardinge and to that suggested by the Government of India, unless the monopoly were to be merely used for the purpose of keeping the Russian motor cars off the roads.

The expense of removing the obstacles to a motor service would admittedly be too heavy to be undertaken by a private Company except with a Government subsidy or guarantee, but Mr. Brodrick does not think that the information now in possession of His Majesty's Government is sufficient to enable any judgment to be formed upon the merits of the proposals. He would therefore suggest, for Lord Lansdowne's consideration, that Sir A. Hardinge should be asked to report—

1. Whether it is practicable to purchase the control of the Sani-ed-Dowleh's concession (this appears from the fourth paragraph of Sir A. Hardinge's despatch to be doubtful);

2. What would be the expense involved;

3. At what sum he estimates the liability which would be entailed upon the British Government if effect were given to the suggestions contained in the fifth paragraph of his despatch;

4. It would also be well to know his opinion upon the views stated in the Board of Trade letter of the 18th July; and

5. Upon the proposal of the Government of India to press for a concession for a road, with the option of using motor cars upon it, from Bunder Abbas to Bam with extensions.

I am, &c.

(Signed) HORACE WALPOLE.

Inclosure in No. 77.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

August 19, 1905.

PLEASE refer to Sir A. Hardinge's despatch of the 24th June as to the proposed Russian motor-car service to Tehran. Position, as we understand it, is that the Russians have successfully claimed or arranged to share the Sani-ed-Dowleh's motor-car monopoly on roads for which concessions are already held by them, and

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that the Persian Government have acquiesced in this arrangement. On the same principle, the Persian Transport Company might be urged to claim a similar privilege on the Tehran-Ispahan road, for which it holds concession. More than this, however, seems to be required. Although it would seem that the Russians cannot run their own cars upon the Tehran-Ispahan road, it is probable that they will try to make use of the proposed service of Sani-ed-Dowleh in order to invade markets of Central Persia, and Sir A. Hardinge suspects that they are already promising him a loan. As the Persian Transport Company is not in a position to oppose competition, it seems desirable that we should purchase control over Sani-ed-Dowleh's service, and thus forestall the Russians. The question whether it would be preferable in our interests—

(a.) To keep Persian motor cars off the road until British goods are enabled, by improvement of communications with the coast, to compete with Russian goods in interior markets; or

(b.) To develop the Persian service; or

(c.) To subsidize a service by the Persian Transport Company, might then be decided at leisure.

If our views as to the importance of this plan for checking further Russian advance are shared by His Majesty's Government, the Government of India will be prepared to pay one-half the cost of buying the Sani-ed-Dowleh. It is not clear how far the Persian Government are responsible for the concession which has now been made to the Russians, or whether opportunity may be held to have arisen for claiming direct compensation. Such a claim may, however, be justified by prospective injury to British commercial interests. In that case, in addition to the measures suggested above, we advocate pressing for a concession for a road from Bunder Abbas to Bam, with such extensions in the direction of Seistan and Ispahan as may be found possible, and with option of using motor cars upon it. Both Sykes and Newcomen strongly recommend this scheme, and its advantages from the political as well as from the commercial point of view seem to me to be considerable.

(Repeated to Tehran.)

No. 78.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 2.)

(No. 106.)

(Telegraphic.) P.

Gulahek, September 2, 1905.

I AM informed by the Russian Minister that the Order of St. Andrew has been conferred on the Valiahd by the Emperor of Russia. This is the first time that this decoration has been conferred on a Persian heir-apparent.

No. 79.

India Office to Foreign Office.—(Received September 5.)

Sir,

India Office, September 4, 1905.

WITH reference to Sir A. Hardinge's despatch No. 152 of the 16th July last (forwarded to this Office with your covering letter of the 10th August), on the subject of affairs at Henjam, I am directed by Mr. Secretary Brodrick to inclose, for the consideration of the Marquess of Lansdowne, a copy of a Memorandum by the Director-in-chief of the Indo-European Telegraph Department.

I am to invite attention to the importance of controlling the area from which the water supply of the telegraph station is drawn, and of asserting a claim to the entire area according to its old limits in the event of any encroachment. I am to add that Mr. Brodrick concurs generally in the views stated in this Memorandum, and that the Director-in-chief will be instructed accordingly to enjoin his local staff at Henjam to co-operate in a friendly spirit with the Persian officials.

I am, &c.

(Signed) HORACE WALPOLE.

Inclosure in No. 79.

Memorandum by the Director-in-Chief of the Indo-European Telegraph Department.

Note on Henjam Telegraph Station.

I HAVE delayed returning these papers until I could consult the Director of Telegraphs of the Persian Gulf Section, now at home on leave, on the questions that have been raised in them. He has been all over the ground at Henjam some months ago, and I had also some personal knowledge of it before our telegraph office was reopened there.

Sir Arthur Hardinge points out that Henjam, being Persian territory, the Persian Government have an undeniable right to place a custom-house and coast-guard there. The question, however, arises whether it can be claimed that this building and the officials connected with it should be located within the bounds of the British Concession.

We are told that the Director of Customs at Bunder Abbas has invited tenders for the erection of a substantial building at Henjam. There seems every probability that, unless a protest is made, this building will be put up inside the British Concession without reference to the telegraph authorities as to its site. The correspondence shows that the Persian officials appear to think that they can erect flagstuffs and buildings on the British telegraph station where they please.

We have now obtained authority to connect Henjam with Bunder Abbas, so that the doubt about obtaining this Concession for the above extension need not stand in the way of clearing up the position at Henjam, more particularly as regards the limits of the telegraph station there, and the powers of the local Persian officials to encroach on them.

The map that accompanies the correspondence shows the limits of the telegraph station at Henjam when the office was closed there in 1880. We may fairly claim that, on our reopening the telegraph station there, we have the right to reoccupy the same ground. So far, the Persian officials appear only to have erected a temporary custom-house and some temporary customs shelters within the boundary of the British telegraph station. The site they have chosen for these does not, it is believed, inconvenience any telegraph arrangements, and is possibly the best site in the island for the purposes of a custom-house, as ships visiting Henjam usually anchor off this part of the coast.

For these reasons, and as a matter of courtesy, we might agree to the custom-house remaining within the limits of the telegraph station, provided only a limited number of men were employed in it. As to the customs flagstaff, it should be placed, as is usual, in the neighbourhood of the custom-house. In its present position it will possibly interfere with the working of the flagstaff that has to be erected so that the Henjam telegraph office may be made a Lloyd's signalling station, which has been ordered. If the Persian Government desire to continue to fly their flag inside the boundaries of the telegraph station there appears to be no particular objection to this, and probably its present situation will not interfere with our ships signalling for Lloyd's.

It has to be remembered that a considerable portion of the ground within the limits of the British telegraph station forms the catchment area for the rain that is collected in the water tanks. To allow the Persian officials with their followers and animals to make a free use of the ground would completely ruin the water supply of the telegraph establishment.

Sir Arthur Hardinge has expressed himself as doubtful whether it would be judicious at this moment to put forward a formal claim that the limits of the telegraph station are as shown in the map. If, however, our claim to this area were questioned later on, he considers we could successfully prevent the erection of any new building not authorized by us by the dispatch, if our protest were disregarded, of a few sepoy from Bushire. The reply to the Foreign Office might perhaps be that the Secretary of State agrees generally with Sir A. Hardinge's views, but he considers that our claim to the whole of the old area of the British telegraph station should be made immediately any other question arises of Persian officials attempting to erect any structure, whether permanent or temporary, within its limits.

It might be added that instructions have been given to the Director-in-chief of

the Telegraph Department to enjoin his local staff at Henjam to co-operate in a friendly spirit with the Persian officials there.

(Signed) H. A. KIRK.

August 22, 1905.

No. 80.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 6.)

(No. 107.)

(Telegraphic.) P.

Gulahek, September 6, 1905.

FOLLOWING sent to India:—

Seistan Crown lands. Your telegram of the 4th instant.

Mushir-ed-Dowleh, whom I have just seen, says that he has sent three urgent telegrams to the Grand Vizier, but has had no reply from him. The truth of this is confirmed from a confidential source. I have not heard whether any action was taken on the suggestion made by Sir A. Hardinge to Lord Lansdowne, at the Mushir-ed-Dowleh's request, that His Majesty's Ambassador in Paris should, during the Shah's visit to that city, make inquiries on the subject. In about twelve days the Shah is expected to arrive at the frontier. I fear that it is hopeless to expect any definite reply till then.

No. 81.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 6.)

(No. 108.)

(Telegraphic.) P.

Gulahek, September 6, 1905.

FOLLOWING repeated to India:—

I am informed by M. Naus that Persian finances are in a very serious condition. He has addressed a letter on the subject to the Grand Vizier, and has communicated a copy of it confidentially to me.

In this letter he proposes that a sum of two million sterling should be borrowed by the Persian Government, guaranteed by the Customs and paying 5 per cent., with the object of:—

1. Paying off debts on which the Persian Government are now paying 9 to 12 per cent.
2. Obtaining at 5 per cent. the sum necessary to repay advances made by Persian bankers for the Shah's journey.
3. Balancing the Budget of 1905-1906.
4. Disposing of a sufficient reserve to balance the Budget for next year, pending the financial reforms which are promised.

I am sending by next Foreign Office bag full text of the letter, communication of which to me M. Naus wishes to be kept secret.

All knowledge of any attempt to obtain money at St. Petersburg on the part of the Shah is denied by both M. Naus and the Mushir-ed-Dowleh.

Naus states his intention of resigning if the agitation against him is renewed this autumn.

No. 82.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 6.)

(No. 109.)

(Telegraphic.) P.

Gulahek, September 6, 1905.

FOLLOWING repeated to India:—

I am informed by the Mushir-ed-Dowleh that in the massacres at Baku 100 Persian subjects have been wounded or murdered.

Everything possible is being done by the Persian Government to keep the peace,

but it is evident that the Mushir is apprehensive of the result when the news reaches such places as Meshed and Tabreez, where fanatical feeling runs high. His Majesty's Consul-General at the latter place is of opinion that the maintenance of order there will be within the power of the Governor-General.

No. 83.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 7.)

(No. 110.)

(Telegraphic.) P.

Gulahek, September 7, 1905.

FOLLOWING repeated to India, Seistan, and Sir A. Hardinge at Meshed:—

Grand Vizier has telegraphed to his Government that acceptance of Seistan Water Award is refused by the Shah. He gives as a reason that the population of Seistan considers that it is unfairly treated by the Award.

The Persian Court is due here early in October, and until its return I fear that little can be done to induce the Shah to reconsider his decision.

Meanwhile, I have pointed out verbally to the Mushir-ed-Dowleh that this decision will give dissatisfaction to His Majesty's Government after all the trouble and expense which has been incurred.

No. 84.

Foreign Office to India Office.

Sir,

Foreign Office, September 7, 1905.

I AM directed by the Marquess of Lansdowne to transmit to you, to be laid before the Secretary of State for India, the accompanying copy of a despatch from His Majesty's Minister at Tehran, on the subject of the Meshed-Seistan telegraph line.*

Lord Lansdowne proposes, if Mr. Secretary Brodrick concurs, to approve the terms of Sir A. Hardinge's note to the Mushir-ed-Dowleh.

I am, &c.

(Signed) E. GORST.

No. 85.

Foreign Office to India Office.

Sir,

Foreign Office, September 8, 1905.

WITH reference to your letter of the 10th May I am directed by the Marquess of Lansdowne to transmit to you herewith copy of a despatch from His Majesty's Minister at Tehran,† relative to means for improving the security of the Kerman-Bunder Abbas road.

Lord Lansdowne would be glad to be favoured with the observations of the Secretary of State for India on the points raised in this despatch. His Lordship proposes, if Mr. Brodrick concurs, to approve the terms of the note addressed by Sir A. Hardinge to the Mushir-ed-Dowleh on this subject.

I am, &c.

(Signed) F. H. VILLIERS.

No. 86.

The Marquess of Lansdowne to Mr. Grant Duff.

(No. 128.)

Sir,

Foreign Office, September 9, 1905.

I HAVE received Sir A. Hardinge's despatch No. 174 of the 12th ultimo regarding affairs in Urumia.

I approve Sir A. Hardinge's action and the terms of the note which he has addressed to the Mushir-ed-Dowleh.

I am, &c.

(Signed) LANSDOWNE.

No. 87.

India Office to Foreign Office.—(Received September 11.)

THE Under-Secretary of State for India presents his compliments to the Under-Secretary of State for Foreign Affairs, and, by direction of Mr. Secretary Brodrick, forwards herewith, for the information of the Secretary of State, copy of a telegram from the Viceroy, dated the 10th September, relative to the supply of arms for the protection of the Meshed and Seistan Consulates.

India Office, September 11, 1905.

Inclosure in No. 87.

Government of India to Mr. Brodrick.

(Telegraphic.) P.

September 10, 1905.

ARMS for Persian Consulates.

At the urgent request of Consul-General at Meshed, Hardinge was asked by us in July last to obtain the consent of the Persian Government to dispatch, for protective purposes, of 100 reserve Martinis to Meshed Consulate, and 30 to Seistan. Some little opposition was anticipated by Hardinge, and we now learn by telegram from Grant Duff that a reference to the Shah has been made, and that sanction will be very difficult to obtain. Having regard to intimation conveyed in Grant Duff's telegram of 6th September as to fears entertained by Mushir-ed-Dowleh of effect which will be produced at Meshed when result of present state of affairs at Baku becomes known, I suggest that instructions should be given to Grant Duff to make very strong representation as to validity of our right to send arms for protection of our Consulates and our subjects. In the event of permission not being promptly accorded, a hint should, I think, be given that it may become necessary to dispatch the arms without further waiting.

No. 88.

The Marquess of Lansdowne to Mr. Grant Duff.

(No. 130.)

Sir,

Foreign Office, September 11, 1905.

I HAVE received Sir A. Hardinge's despatch No. 159 of the 22nd July, transmitting copies of correspondence with His Majesty's Consul-General at Tabreez on the subject of the continued protection of United States' interests in Azerbaijan.

I approve the terms of Sir A. Hardinge's despatch of the 22nd July to Mr. Wratislaw.

I am, &c.

(Signed) LANSDOWNE.

No. 89.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 12.)

(No. 111.)

(Telegraphic.) P.

Gulahek, September 12, 1905.

FOLLOWING repeated to India:—

His Majesty's Consul-General at Tabreez telegraphs as follows:

"Increasing uneasiness here. The Governor-General may be relied on to do all that he can, but he does not seem to be so confident as he was last June of his ability to maintain order. I am still sanguine, though, under the circumstances, I have thought it best to postpone my tour."

At present all is quiet in Tehran.

No. 90.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 13.)

(No. 112.)

(Telegraphic.) P.

Gulahek, September 13, 1905.

FOLLOWING sent to Sir A. Hardinge at Meshed:—

"Persian Government have sent orders to the Governor-General to bring in Timuri cavalry for the reinforcement of the Meshed garrison."

No. 91.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 14.)

(No. 113.)

(Telegraphic.) P.

Gulahek, September 14, 1905.

FOLLOWING repeated to India:—

I was informed last night by the Mushir-ed-Dowleh that a telegram had been received from the Persian Consul at Baku, to the effect that he proposed to ship 20,000 starving Persian subjects, who were destitute at Baku, to Resht.

I pointed out that it would be undesirable to flood Northern Persia with these people, and suggested that the protection of destitute foreign subjects at Baku, and provision, at least temporary, for their wants were matters for the Russian Government, which was answerable for the state of the city.

The prospect of anti-Christian agitation spreading to Persia alarms his Excellency, who is not certain that he could rely on the army in the event of riots becoming serious. Tehran, he thinks, is safe, but there is a likelihood of Ispahan and the frontier districts being affected. The possibility of the Armenians, if attacked, taking refuge in the British Legation or Consulates constitutes a danger in my opinion.

The Russian Government have informed the Mushir-ed-Dowleh that they will send troops to Meshed in case of trouble there.

I have written a note to the Mushir-ed-Dowleh, informing him that we shall hold the Persian Government responsible for the safety of British lives and property.

No. 92.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 14.)

(No. 114.)

(Telegraphic.) P.

Gulahek, September 14, 1905.

THE Ehtisham-ul-Vezareh has been sent to Seistan by the Persian Government to inquire into the complaints against the water and frontier Awards made by the inhabitants.

I am informed that this official has been consistently friendly to British interests, and that he is a competent engineer.

No. 93.

The Marquess of Lansdowne to Mr. Grant Duff.

(No. 63.)

(Telegraphic.) P.

Foreign Office, September 14, 1905.

WITH reference to the telegram from the Government of India of the 10th instant on the subject of the protection of His Majesty's Consulate at Meshed, the step seems desirable whether reinforcements are sent to the garrison or not, and you are authorized to make representations to the Persian Government as suggested, subject to the opinion of Sir A. Hardinge as to the language to be employed.

No. 94.

The Imperial Bank of Persia to Foreign Office.—(Received September 15.)

Sir,

25, Abchurch Lane, London, September 14, 1905.

WITH reference to the despatch of Sir Arthur Hardinge to the Secretary of State of the 23rd August, I have the honour to forward, for your information, and to enable the Foreign Office to understand the position of the Imperial Bank of Persia in the matter therein discussed, copy of a letter addressed to the Chief Manager, Tehran, of this date.

I have, &c.
(Signed) G. NEWELL, Manager.

Inclosure in No. 94.

The Imperial Bank of Persia to the Chief Manager, Tehran.

Dear Sir,

25, Abchurch Lane, London, September 14, 1905.

WE beg to confirm our special letter of the 24th August, and have received your letter of the 26th August with copies of His Britannic Minister's despatch and inclosures to Foreign Office of the 22nd August, which has been considered by the Board, who desire me to say that no definite offer or proposition having been made to you by His Imperial Highness the Valiahd, there is no reason to answer a question that has not been put. Generally, however, they are disinclined to take over the Valiahd's liabilities, which they only denounced for the reason that neither in obtaining the guarantee of the Shah or the Prime Minister, nor in the due assignment of his revenues, did His Imperial Highness keep the promises he had made to the Bank. We have no desire to again receive him as a customer, unless he is prepared to supply the guarantees which he before failed to give us. You will consequently take no step in the matter, and any specific proposal which may be made to you, we shall be content to consider. If the British Minister is of opinion that it will be of high importance to again attach the Valiahd to the Bank in the manner proposed, and the Foreign Office is prepared to guarantee the advance, the Imperial Bank will readily accept a transaction which, without due and sufficient guarantees, they are unwilling to undertake as a matter of banking business.

The Board note that you categorically deny the statement of the Consul-General that you were prepared to recommend the Valiahd's proposals to the favourable consideration of the Board, and would inquire if you communicated this denial to His Majesty's Minister previous to the date of his despatch to the Secretary of State. If you had done so, we cannot but think that his despatch would have made some reference to it, as the Consul-General's sincere but mistaken impression must have inspired or largely influenced his letter to the Minister.

Yours faithfully,
(Signed) G. NEWELL, Manager.

No. 95.

The Imperial Bank of Persia to Foreign Office.—(Received September 16.)

Sir,

25, Abchurch Lane, London, September 14, 1905.

I HAVE the honour to transmit, for your information, copy of a note we have received from our Meshed office, dated the 17th ultimo, in reference to the working of the Persian Customs in North Persia.

I also beg to forward copy of a note addressed to us by our Resht office, together with a confidential report by M. Garnier on cocoons and sericulture in the province of Ghilan. The Bank is requesting its Chief Manager in Tehran to bring the matter before his Excellency M. Naus, and my Directors feel that it would be to the general interest of Persia if the Persian Government could be induced to take steps to protect this very important silk industry. If His Majesty's Minister in Tehran were to support the representations of our Chief Manager, it might, perhaps, have a good effect on the Persian Government.

I have, &c.
(Signed) G. NEWELL, Manager.

Inclosure 1 in No. 95.

Letter addressed by the Manager, the Imperial Bank of Persia, Meshed, to the London Office, dated August 17, 1905.

Russia's Contempt of the Persian Custom-house.

A FEW days ago seventeen Russian Cossacks and an officer crossed the Persian frontier, their kit and other luggage being conveyed in a waggon.

On their arrival in Kuchan on Monday of this week the Customs officials asked to inspect the luggage, which demand was promptly opposed by the officer in command of the Cossacks. The Customs Manager called on the Governor of Kuchan to help him to have his rights enforced, but the Governor, who is the eldest son of Asafed Dowleh, Governor-General of Khorassan, refused to be mixed up in the matter, and after a second unsuccessful attempt to examine the luggage, the Customs Manager called off his men. It is said the Cossack officer threatened to fire if the Persians used force.

This is not the first instance of Cossacks crossing the frontier and opposing Customs demands by threats of firing, a Persian Customs official having acknowledged as much.

We also learn that twelve cases of rifles and ammunition recently passed the Meshed Custom-house without being opened, and were conveyed to the Russian Bank's stores under care of Customs guards. It certainly is impossible to ascertain the truth of this report, which, however, was obtained from an employé of the Russian Bank.

(Signed) E. E. SENN.

We are informed that people wishing to travel through Transcaspia, even coming from or going to Europe via Askabad and Krasnovodsk, require to obtain a permit from St. Petersburg.

E. E. S.

Inclosure 2 in No. 95.

Letter addressed by the Manager, the Imperial Bank of Persia, Resht, to the London Office, dated August 24, 1905.

Cocoons and Sericulture.

WE beg to transmit herewith, for your private information, a copy of a report on cocoons and sericulture in Ghilan, which M. Garnier has drawn up and communicated privately to us. You will see that this year's cocoon crop has been little better

than that of 1904, when cholera existed in this province. During the present season considerable ravage has been done by "flacherie" and "muscardine"—two diseases peculiar to silk-worms—and the crop has been further adversely affected by importations of large quantities of inferior eggs. To combat these diseases should be the immediate duty of the Government, in order to protect this important industry, but it appears unlikely that anything will be done either to control the quality of eggs to be imported for next year's crop or to destroy by fire those "tilimbars" in which "muscardine" has been detected.

(Signed) ALFRED F. CHURCHILL.

Inclosure 3 in No. 95.

Report by M. Garnier respecting Cocoons and Sericulture in the Province of Ghilan, dated August 1, 1905.

STATISTIQUE sur les Achats de Cocons frais en Perse (Ghilan) pendant la Campagne Séricicole de 1905, exportés en France et Italie.

Noms des Acheteurs.	Région des Achats.	Quantité en Batmans frais (le batman vaut 6 kilog.).
C. J. Bonnet et Cie., par Ch. Leplattier	Resht	10,000
	Abkenar	10,000
	Lahijan	8,000
	Resht	1,385
Terrail, Payen, et Cie., par E. Garnier	Resht H. A. ..	5,670
	Lahijan	1,210
	Resht	10,000
Pedroni et Cie., Milan, par C. Gatti, .	Lahijan	11,000
	Lengarood ..	6,000
Pascalidi Frères, Constantinople ..	Resht	12,000
	Lahijan	4,000
Harilaos et Toumaniantz	Resht	20,000
	Lahijan	7,000
Badi Casseri	"	10,000
Draco Piliès	Resht	5,500
	Arabian	4,500
Georgiadis Stroumboulis et Cie.	Lahijan	7,800
	Lengarood ..	7,250
Georges Papadopoulos	Lahijan	12,000
	Lengarood ..	4,000
Harilaos (seul)	Reshtinisha ..	4,000
Koussis Frères	Resht	7,000
Lascarides Frères	"	2,000
D. Pinatzis Cangelari	Lahijan	3,000
	Lengarood ..	2,000
Challis Dimitris	Resht	3,000
Draconas Taniastogli	"	2,500
A. Saribalasis	"	1,500
Lascarides Frères	Lahijan	12,000
	Lengarood ..	4,500
Nicolas Yavashogli	Lahijan	3,000
Piperides	"	1,600
P. Candilis	Abkenar	4,000
M. Papadopoulos (docteur)	Resht	3,000
A. L. Pinatzis	"	1,000
P. Baboudis	"	2,500
A. Mavropoulos	"	1,000
Avedis Hordaniantz	"	7,000
Aslaniantz	"	1,500
Dikran Zarifian	"	4,000
A. Ossopiantz et M. Gaspariantz ..	"	2,500
A. G. Basil	"	1,500
A. Galoustian	"	1,500
Mirza Paroniantz	"	2,500
Khaje Assatour Ter Hohaniantz ..	Reshtabad ..	4,000
	Resht	5,000
Toumaniantz Frères	Enzeli	3,000
Avak	"	9,000
Daniel	Gaskar	2,000

Noms des Acheteurs.	Région des Achats.	Quantité en Batmans frais (le batman vaut 6 kilog.).
<i>Acheteurs Persans.</i>		
Moin ul Mamalek	Resht	14,000
Moin es Sultaneh	"	12,000
Haji Seyed Mohamed et Cie.	Resht Araban ..	9,000
Amin ez Zarb (filature)	"	15,000
Agha Seyed Ali et Mohamed Ali ..	Foman	12,000
Haji Mustafa Ressoulloff, of Baku ..	Lengarood ..	10,000
Alioff, of Baku	Resht	7,000
Khaliloff	"	7,000
Ramazanoff	Enzeli	5,000
Rezaioff Frères	Resht	4,000
Zein-el-Abidin	"	6,000
Société Tévékoli	"	8,000
Haji Mohamed Reza	"	6,000
Haji Melek	"	6,000
Mirza Kaffour, pour Emin Zerb ..	Lahijan	9,000
Emin Divan	"	4,000
Houssein et Daoud	Resht	7,000
Sadegh Roaya et Lascarides	Chukover	10,000
Sadegh Roaya et Modir el Mulk ..	Arabian	7,000
Hadji Samad Tajir Bashi	Resht	2,500
Seyed Rezi	"	2,000
Seyed Agai et Avak	"	5,000
Aziz Gafaroff	Lengarood ..	5,000
Boulgarie	Resht	1,500
Modéber el Mamalik	"	2,000
Hassan Agha	"	1,000
Ali Khan Shafti	Shaft	3,000
Total .. ..	.. ..	446,500
A déduire pour doubles chiques blaze 8 pour cent		35,720
A déduire pour achats par Emin ez Zerb ..		24,000
		59,720
Reste .. ..	.. ..	386,780

Représentant en kilog. secs, 769,596 kilog.; soit, balles de 65 kilog., 11,839.

ÉCHELLE de la Progression, depuis l'année 1893.

Année.		Kilog.	Balles.
1893 ..	Cocons secs exportés ..	34,549	535
1894 ..	"	76,668	1,135
1895 ..	"	107,085	1,597
1896 ..	"	101,984	1,520
1897 ..	"	156,774	2,300
1898 ..	"	294,500	4,300
1899 ..	"	557,600	8,200
1900 ..	"	765,496	11,272
1901 ..	"	585,200	8,081
1902 ..	"	865,200	13,311
1903 ..	"	1,500,000	23,000
1904 ..	"	744,648	11,446
1905 ..	"	769,596	11,839

NOTA.—La quantité de 769,596 kilog. cocons secs indiqués en 1905 ne représente que les trois quarts de la production de Ghilan; l'autre quart a été filé par les indigènes et la soie produite vendue sur le marché de Resht et de Lahijan pour être expédiée sur Yezd, Kermanschah, Tauris, Kashan, Bagdad, pour fabrication des tapis, &c. Le prix de soie actuellement est de 40 à 43 toman le batman, et de 44 à 45 pour les extra-filés dans les villages de Kisseom, Astane, Lafmèjan, et Bejarbené.

Le toman vaut 5 fr.* le batman 6 kilog.; ce qui porte le prix de la soie indigène en francs à 35 fr. le kilog., presque aussi chère que celle de France. La soie grège manque sur les places de fabrication de tapis

* The present exchange would give 1 toman to equal about 4 fr.

Notice.

LA campagne séricicole de 1905 dans le Ghilan (Perse) a passé par des phases diverses qui ne lui ont pas été favorables ni pour les éducateurs ni pour les acheteurs de cocons spéculateurs.

Éducatons.

1. Les éducations ont très bien marché depuis le commencement jusqu'à la sortie de la troisième maladie, et tout faisait prévoir, si cela avait duré ainsi, une récolte très forte en quantité et qualité de cocons. Malheureusement, à la sortie de la troisième maladie ou sommeil, une certaine quantité des "telimbars" (chambres en paille), superposées en l'air où se font les élevages des vers à soie, et situées au milieu des bois ou vergers de mûriers, pouvant contenir deux boîtes de graines de 25 grammes chacune, soit 50 grammes dans les petits "telimbars" et trois boîtes dans les grands, ont vu leurs vers complètement morts de la muscardine. Cette terrible maladie a fait de sérieux ravages cette année-ci, et elle n'est pas sans beaucoup préoccuper les éducateurs et les acheteurs de cocons, et davantage les graineurs de métiers ou vendeurs de graines dans le Ghilan.

2. A la sortie de la quatrième maladie ou sommeil, beaucoup de "telimbars" ont encore vu la maladie de la flacherie, qui a fait disparaître d'une façon complète et incomplète un grand nombre d'éducatons. Ces échecs sont dus à sept à huit jours de chaleur torride survenue après le quatrième sommeil. Fort heureusement qu'avant la montée des vers sur les bois, la température est redevenue meilleure et que les éducations restantes ont pu suivre leur cours assez normalement avec la chance d'une abondante quantité de feuilles pour pas faire à leur dernière nourriture jusqu'à leur montée sur le bois, ce qui a eu pour résultat de leur faire produire encore des cocons de qualité un peu supérieure à ceux de 1904.

3. Je vais m'expliquer sur la cause des échecs occasionnés par la muscardine et par la flacherie. Il faut savoir d'abord que la Province du Ghilan est d'une végétation extraordinaire; qu'elle est sujette toutes les nuits à des grandes humidités. Ensuite, à la grande concurrence des importateurs de graines dans le Ghilan, ce commerce est en général entre les mains de négociants Grecs de la Turquie d'Europe, et en plus grand nombre de la Turquie d'Asie, qui importent surtout depuis trois à quatre ans beaucoup plus de graines qu'il n'en faut pour absorber les feuilles de mûriers du Ghilan. Certains d'entre eux apportent des quantités considérables de boîtes de graines, qui varient depuis 3,000 boîtes jusqu'à 40,000, voire même 70,000 boîtes, pour un seul importateur. Il est matériellement impossible que de quantités semblables de graines apportées par un seul importateur puissent être de bonnes qualités. C'est aussi pour ce motif que ces graines ont eu des échecs sérieux et ont porté un grand préjudice à la sériciculture en Perse et à la bonne qualité des cocons, tel que nous les avions trois ans auparavant. Le Ghilan actuellement n'a besoin chaque année que de 220,000 boîtes de graines à cocons blancs, race Bagdad, reproduites en Turquie d'Asie ou d'Europe, les seules qui peuvent résister dans le Ghilan par rapport à ces grandes humidités. Eh bien! c'est 340,000 à 360,000 boîtes qui y sont importées aujourd'hui et vendues vers la fin, à vil prix. Qu'arrive-t-il alors? C'est que l'indigène, peu intelligent, voyant tomber les graines à prix si bas—soit, 1 kran les deux boîtes (= 50 centimes)—ne réfléchissant pas aux conséquences funestes qui en résulteront, achète de ces graines, et en met cinq ou six boîtes dans chaque "telimbare," qui ne sont disposés que pour pouvoir en élever que deux ou trois boîtes dans un espace restreint, et qu'ensuite la feuille de mûriers est appelée à manquer, les vers meurent faute de nourriture et des conditions d'hygiène aussi mauvaises. Ceux qui résistent ne peuvent aussi que produire des cocons de qualité courante ou mauvaise.

Par conséquent je pense que les échecs nombreux qui se sont produits cette année-ci pour les motifs expliqués ci-dessus, qui ont soulevé de vives plaintes, protestations et des réclamations sérieuses de la part des gros propriétaires, de leurs sujets éducateurs contre les gros importateurs de graines dans le Ghilan, ne se renouveleront pas, car le Gouvernement du Ghilan, ému de tous ces échecs, veut arrêter qu'à partir de l'année prochaine toutes graines importées en Perse devront être munies d'un certificat d'origine, chaque boîte cachetée par la banderole blanche de la Dette Publique Ottomane, et peut-être aussi exigera-t-il que la vérification des graines soit faite à la station séricicole de Tiflis. De plus, en arrivant à la Douane d'Enzeli une

Commission de trois membres sera nommée pour s'assurer que les graines qui rentrent en Perse soient bien dans les conditions exigées ci-dessus.

Il est certain qu'il faut réagir contre ces malheureux événements, contre ces abus, et aussi contre leurs auteurs, marchands de graines avides de gains trop rapides, si l'on veut ne pas voir la sériciculture disparaître du Ghilan rapidement et rester ensuite cinquante à soixante ans sans pouvoir la reprendre, comme cela s'est produit il y a quelques soixante-dix ans où les maladies avaient tout ravagé.

Achats de Cocons.

Les achats de cocons ont été faussés d'une façon complète par la faute des acheteurs eux-mêmes, et surtout par les acheteurs Européens, parmi lesquels se trouvaient des maisons de tout premier ordre qui ont commencé à faire de grosses avances aux vendeurs de cocons frais, propriétaires ou courtiers, et cela quatre ou cinq mois avant l'arrivée des cocons sur le marché—sommes importantes avancées sans intérêt et, de plus, donnant des gratifications variant de 1½ kran à 2 kran par batman de cocons contractés aux courtiers, laquelle gratification n'avait rien à voir avec le prix de cocons, étant donnée de la main à la main au moment où le contrat était passé, en attendant que le prix du jour fût fixé après les achats terminés, et non sans beaucoup de peine ni sans l'aide du Gouverneur-Général du Ghilan, assisté de notables, de gros propriétaires-vendeurs, des Consuls, ainsi que de plusieurs gros acheteurs de cocons Européens et Persans: tel est l'exemple qui s'est passé cette année-ci, où, dans une réunion appelée "mejlis," il fut arrêté, après une longue discussion, que le prix des cocons serait fixé à 24 kran, plus 2 kran de commission = 26 kran.

Donc, le Gouvernement ayant fait son devoir, ainsi que toutes les personnes présentes à la réunion, comment se fait-il qu'après vingt-quatre heures que le prix fût ainsi fixé il passe par promesses faites par plusieurs gros acheteurs Européens présents à la réunion provoqué par le Gouvernement et M. le Consul Russe à 28 kran et 30 kran, pour finir définitivement à 30 kran?

En voici les motifs:—

Les grands acheteurs ayant avancé par contrat de fortes sommes à leurs courtiers ou vendeurs quatre à cinq mois avant le commencement des achats de cocons, craignant de ne plus pouvoir rentrer dans leurs fonds avancés en vue des achats importants de cocons qu'ils espéraient faire, parce que, comme tout le monde, ils connaissaient, à ce moment-là, la grande réduction de la récolte—réduction due aux maladies indiquées plus haut à l'article "Éducatons"—ils se sont précipités sur la marchandise, en poussant vivement leurs courtiers ou vendeurs à leur apporter le plus possible de la marchandise, et cela sans regarder de trop près à la qualité de la marchandise.

Ce moyen ne leur a pas réussi complètement, puisqu'ils ont tous encore d'argent à faire rentrer qui se trouve entre des mains de leurs courtiers ou vendeurs; mais leurs agissements dans ce sens n'ont fait que provoquer la hausse des prix. Voilà ce qui en est ressorti. Par un autre motif que j'appellerai de l'aberration, de la folie même de la part des acheteurs, ces derniers, qui avaient eu la chance de faire du change avantageux à 210 et 250 kran les 100 fr. à la Banque d'Escompte de Perse quatre à cinq mois avant les achats, soit par traites à trois mois de date soit par des contrats passés à la Banque en kran, qui leur accordait six mois pour se libérer vis-à-vis d'elle en francs, ces mêmes acheteurs, dis-je, grisés par leurs opérations de change, ont cru bon de se sacrifier en grande partie en paiement des prix élevés aux vendeurs de cocons que ni la situation de Marseille ni de Milan sur l'article "Cocons en Bourse" ne justifiaient, au contraire.

Quel est maintenant le sort de ces acheteurs imprudents pour l'exercice 1905? L'avenir le leur dira; actuellement leur situation est mauvaise. Il faut espérer que de ce grand excès du mal, qui est allé en croissant depuis trois ans, la sagesse et la prudence dans l'avenir viendront remédier à cet état de choses, que se sont créés les acheteurs eux-mêmes, et aussi aux exagérations des graines importées en trop grande quantité dans le Ghilan, comme il est dit plus haut à l'article "Graines."

En un mot, ce que la sagesse des hommes n'a pas pu faire, les événements funestes qui se sont déroulés cette année avec intensité s'en changeront.

Alors seulement la situation générale deviendra plus saine. Les affaires se traiteront plus normalement et sans de si grosses avances, données si longtemps d'avance, et les cocons seront de meilleures qualités. Il y a cependant un point à noter, et que je ne dois pas laisser passer inaperçu, qui a eu son importance dans la région de Lahijan, où tous les éducateurs en général y pratiquent la filature indigène sur une vaste échelle.

Cette année-ci, la soie manquant sur le marché pour la fabrication des tapis, les prix, qui étaient pendant les achats de cocons frais à 36 à 38 toman le batman, sont arrivés à valoir ce jour 43 à 44 toman le batman pour les extra-filées dans les villages de Kissoom, Lafmejan, et surtout les plus belles à Bejebené.

Il est facile de comprendre pourquoi les éducateurs, dirigés par les courtiers ou "dallals," étaient peu empressés de vendre leurs cocons au-dessus de 30 krans dans cette région, puisqu'en prenant le prix moyen de 40 toman pour 1 batman de soie, cela leur faisait ressortir le batman de cocons à 40 krans. Je ne retrancherai rien de ce prix pour la façon qui est fort peu de chose pour l'indigène, et qui est aussi compensée par les déchets; cette soie est grossièrement filée sans croisure de titres irréguliers. C'est un acte de vandalisme de voir filer de si beaux cocons pour obtenir de la soie pareille avec 10 batmans de cocons frais, soit 60 kilog.; l'indigène produit 1 batman de soie, soit 6 kilog. Quand des faits semblables se présentent ainsi au moment des achats de cocons les acheteurs sont exposés à ne pas recevoir les plus belles marchandises et de voir les parties de cocons qui leur sont apportées très chargées en doubles, si l'on n'y prend pas garde.

Voilà la vérité sur tous les événements qui se sont déroulés pendant la campagne séricicole de 1905 en Perse.

(Signé) GARNIER.

Resht, le 1^{er} Août, 1905.

No. 96.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 16.)

(No. 115.)

(Telegraphic.) P.

Gulahek, September 16, 1905.

FOLLOWING repeated to India:—

Reserve of arms for Meshed. Your Lordship's telegram No. 63 of the 14th instant.

I am informed from Meshed that the Minister was due to reach the Trans-Caspian Railway yesterday, having left Meshed last Monday. Any attempt to communicate with him would therefore be useless. Shall I make representation to Persian Government without further reference? I yesterday received a note, in which the Persian Government refused to permit the importation of these arms, on the ground that negotiations were proceeding for the re-export of the arms which the Russians had brought in.

In Tehran all is quiet.

No. 97.

The Marquess of Lansdowne to Mr. Grant Duff.

(No. 66.)

(Telegraphic.) P.

Foreign Office, September 19, 1905.

YOU should report whether there is any improvement in the situation at Meshed, and in reply to your telegram No. 115 of the 16th instant, you should, in your answer to the Persian note, insist upon the right of His Majesty's Government to import arms for the protection of British subjects and His Majesty's Consulate.

No allusion need be made at present to sending arms without their consent.

No. 98.

India Office to Foreign Office.—(Received September 21.)

Sir,

India Office, September 19, 1905.

I AM directed by Mr. Secretary Brodrick to request that you will draw the attention of the Marquess of Lansdowne to the telegram of the 10th instant from the Viceroy,* regarding the difficulty which is anticipated in obtaining the permission of the Persian Government for the despatch to Meshed and Seistan of a reserve of rifles for the protection of the Consulates.

* See Inclosure in No. 87.

Mr. Brodrick agrees with the Government of India that strong pressure should be brought to bear on the Persian Government in order to obtain the required permission.

I am, &c.
(Signed) HORACE WALPOLE.

No. 99.

India Office to Foreign Office.—(Received September 21.)

Sir,

India Office, September 20, 1905.

IN reply to Mr. Villiers' letter of the 8th instant, I am directed to say that Mr. Brodrick concurs in Lord Lansdowne's proposal to approve the terms of the note addressed by Sir A. Hardinge to the Mushir-ed-Dowleh with reference to the improvement of the security of the Bunder Abbas-Kerman trade route.

As to the proposals to pay a sum of 600l. a-year in order to assist the Persian Government to carry out Captain Haworth's scheme, and to increase the Kerman Consular guards from six to twenty-four sowars, Mr. Brodrick will defer his observations until he is in receipt of the views of the Government of India, for which he has asked.

I am, &c.
(Signed) HORACE WALPOLE.

No. 100.

India Office to Foreign Office.—(Received September 21.)

Sir,

India Office, September 20, 1905.

IN reply to Mr. Villiers' letter of the 9th instant, forwarding correspondence relative to a suggestion made to Prince Shoa-es-Sultaneh by His Majesty's Consul at Shiraz, that he should pay a visit to India on the occasion of His Royal Highness the Prince of Wales' tour and be present as the Representative of Persia at the Durbar to be held at Delhi in December next, I am directed by Mr. Secretary Brodrick to say that he concurs in the course which the Marquess of Lansdowne proposes to adopt in regard to the matter.

I am, &c.
(Signed) HORACE WALPOLE.

No. 101.

India Office to Foreign Office.—(Received September 21.)

Sir,

India Office, September 20, 1905.

I AM directed to acknowledge the receipt of your letter of the 11th September, asking for Mr. Secretary Brodrick's observations on Mr. Grant Duff's telegram No. 110 of the 7th September, reporting that the Shah refuses to accept the Seistan Water Award.

It will be remembered that the Persian Government raised similar objections to General Goldsmid's Award in 1872, and that the question was finally decided by His Majesty's Government, whose arbitration had been accepted by the Persian Government.

On the present occasion, as stated in Mr. Erskine's despatch of the 10th November 1902, No. 156, the Persian Government have agreed to the appointment of an Arbitrator, and to the reference of the question to the Secretary of State for Foreign Affairs for final decision, should the Award of the Arbitrator not be accepted, on the understanding that the decision shall be in accordance with the terms of the Goldsmid Award. Colonel McMahon, in the preliminary remarks to his Award of the 10th April last, states that in framing his Award he has been restricted by the condition mentioned above.

It appears, therefore, to Mr. Brodrick that the Award as it stands may be maintained by the Marquess of Lansdowne, unless the Persian Government in any further representations which they may submit succeed in proving that Colonel McMahon's Award is not in accordance with that of General Goldsmid.

I am, &c.
(Signed) HORACE WALPOLE.

No. 102.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 179.)

My Lord,

Gulahek, August 17, 1905.

THE Government of India having telegraphed to me on the 9th instant that recent water disputes in Seistan pointed to the necessity of the early acceptance by the Persian Government of Colonel MacMahon's Helmund Water Award in its entirety, I answered in a telegram, dated the 10th instant, that the papers on the subject had been taken by the Grand Vizier to Europe, and that the Mushir-ed-Dowleh would therefore reply to any representations which I might make that the matter was in his Highness' hands, but that, if the Viceroy wished it, I would address a note embodying his Excellency's views to the Ain-ed-Dowleh direct.

In obedience to a desire expressed by the Government of India, in a telegram dated the 15th instant, I sent the note, of which I have the honour to inclose a copy herein, to the Grand Vizier, through His Majesty's Ambassador at St. Petersburg, asking his Excellency to arrange for its delivery on the expected arrival of the Persian Court on or about the 26th instant at Peterhof. I was unable to send this despatch to your Lordship by yesterday's messenger, as our bag was being closed when the telegram from Simla was received, and there was only just sufficient time to prepare and dispatch the note for the Ain-ed-Dowleh.

I do not anticipate that we shall experience great difficulty, when the question is fairly put before them, in inducing the Persian Government to accept the Award, though they may be a little slow in notifying to us their final decision, and may want further explanations on some points.

I may mention that the Karguzar of Seistan, acting in concert with the Russian Consul, has written strongly against the appointment of the proposed irrigation officer, saying that he would always favour Afghan as against Persian interests. This official's views are, however, discounted here, and I hope on the Shah's return to get him removed.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 102.

Sir A. Hardinge to the Ain-ed-Dowleh.

Your Excellency,

Gulahek, August 16, 1905.

I VENTURE to trouble your Excellency with a matter of public concern in regard to the relations of our two countries, namely, the Seistan Water Award. Fresh disputes have broken out as to water rights between Persians and Afghans in the neighbourhood of the Helmund, and although these seem to have been unimportant and are being settled locally through the assistance of His Majesty's Consulate, the Government of India considers it important that the Arbitral Award of Colonel MacMahon as to water rights should be accepted in its entirety both by the Persian and the Afghan Governments.

I understood from the Mushir-ed-Dowleh, when I discussed the Award with him before the Shah's departure to Europe, that the Persian Government were on the whole satisfied with it, though they wished to examine certain criticisms which the Yamin-i-Nizam had made on it before coming to a final decision as to whether they should accept or appeal against it. I earnestly hope that your Highness may enable me to assure the Viceroy, in the interests of the permanent and peaceful settlement of the Perso-Afghan relations, that His Majesty the Shah has decided upon the former course.

I may add that the Government of India is making similar representations to the Ameer of Afghanistan, and I cannot but think that His Highness' final acceptance of the arrangement made by Colonel MacMahon for the prevention of future conflicts as to water rights between the two countries would be hastened by the knowledge that those arrangements had been accepted by Persia.

I have informed the Viceroy of India, in reply to his communications to me on this subject, that it would be of little use to me to trouble the Mushir-ed-Dowleh, who would have to refer the matter to your Highness in Europe, and the Government of India have therefore desired me to address you direct in order to avoid any unnecessary delay. I am sending this letter to the care of His Majesty's Ambassador at St. Petersburg, as I understand that by the time it reaches him the Persian Court will have arrived, or be on the point of arriving, at Peterhof on a visit to His Majesty the Emperor of Russia.

I have, &c.
(Signed) A. HARDINGE.

No. 103.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 180.)

My Lord,

Gulahek, August 21, 1905.

WITH reference to previous correspondence respecting the status of Bahrein in Persia, I have the honour to transmit herewith a copy of a note addressed by me to the Persian Foreign Minister recapitulating a suggestion made by me for a provisional *modus vivendi* as a means of terminating the present deadlock.

I have been careful to explain to his Excellency that I do not know what view would be taken of this suggestion by your Lordship or the Government of India, but I would ask you to be so good as to instruct Mr. Grant Duff on the subject, in case the question should assume a practical form on the Shah's return.

It is very desirable that some arrangement should be come to for putting an end to the deadlock where the affairs of Bahrein are concerned, which arises out of the obsolete claims of the Persian Government, and which prevents their obtaining any justice or redress, either through His Majesty's Residency at Bushire or Legation at Tehran.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 103.

Sir A. Hardinge to the Mushir-ed-Dowleh.

Your Excellency,

Gulahek, August 22, 1905.

SOME time ago I had the honour of having a conversation with you on the subject of the status of natives of Bahrein in Persia. I pointed out to you that the insistence of the Persian Government in treating these persons as Persian subjects, when, as a matter of fact, it exercised no effective authority over Bahrein, was of a nature to produce a deadlock, and might possibly lead to reprisals on the part of the Chief of Bahrein upon the Persian subjects living in his islands. I reminded your Excellency that, at the instance of His Majesty's Resident in the Persian Gulf, the Government of India had quite recently sent men-of-war to Bahrein, and compelled the Sheikh to compensate certain Persian merchants assaulted by the Arabs, and to exile and punish the leaders in the assault, one of whom was his own nephew; but that it was an illogical position for us to protect Persian subjects in Bahrein, and to use for this purpose the authority derived by us from our Treaties with the Sheikh, while the Persian Government persisted in ignoring, on the ground of ancient claims of its own, any representations which His Majesty's Legation might make on behalf of Bahrein in Persia. I accordingly suggested that, without any formal renunciation by Persia of whatever claims she might deem herself to possess in respect of Bahrein, some practical *modus vivendi* might be found for terminating the existing deadlock, such, for instance, as an exchange of notes, under which the Persian Government would declare itself willing to permit His Majesty's Resident at Bushire to exercise

his good offices on behalf of Bahreinis in Persia, whilst reserving, if it thought necessary, its rights to revive its ancient claims, should it deem the moment opportune.

Your Excellency replied to this suggestion, which, I should observe parenthetically, was a purely personal one of my own not made under instructions from His Majesty's Government, that it was impossible for you, in the absence of the Shah, to modify the existing practice, but that you would put the matter before His Majesty on his return, with a view to the practicability of some such *modus vivendi* as I had proposed being considered.

As I am leaving for Meshed to-morrow, I venture to recall this question to your Excellency's attention as one of those which I would ask you to submit to the Shah immediately on his return. Should His Majesty be disposed in principle to view the idea with favour, Mr. Grant Duff would then refer for instructions to His Majesty's Government; and if the latter also approved it, would discuss with your Excellency the form which the arrangement contemplated should assume. So far, of course, the discussion has not passed beyond the phase of a personal exchange of views between your Excellency and myself as to a possible way out of a situation which both sides recognize as one of great practical inconvenience.

I avail, &c.
(Signed) ARTHUR H. HARDINGE.

No. 104.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 181. Confidential.)

My Lord,

Gulahek, August 21, 1905.

I HAD the honour of being received this afternoon in farewell audience by His Imperial Highness the Valiahd. He informed me, in the course of conversation, that the appointment of Hussein Kuli Khan as Special Commissioner to inquire into the Labaree murder and the attack on Captain Gough had, in deference to Hussein Kuli Khan's own wishes, been cancelled. The duty has been assigned to Mirza Bagher Khan, formerly Counsellor of the Persian Embassy at Constantinople, who is qualified by knowledge of Turkish and previous official experience in Azerbaijan, and with whom the Karguzar at Tabreez, the Mofakher-ed-Dowleh, will be associated.

The Valiahd adverted somewhat reproachfully to the action we had taken on behalf of the Majid-es-Sultaneh, and more especially to the lease by Mr. Stevens of his lands. On my mentioning that no exception had been taken to a similar transaction between the late Governor of Urmia and the Russian Bank, His Imperial Highness replied that Haji Nizam-ed-Dowleh denied its correctness, but it was evident that he did not attach much importance to this unsupported assertion. I explained that it was not quite correct to describe Mr. Stevens' arrangement with the Majid-es-Sultaneh as a lease. I understood that the Majid had borrowed money from Mr. Stevens on the security of the revenue of his lands.

His Imperial Highness referred to the suspicions which he said he believed I entertained that he lent to Russian rather than English interests, and said he wished to assure me, not as Prince Regent speaking to a foreign Minister, but as one friend to another, that any idea of this kind was quite unfounded. If he saw rather more of the Russian than of the English Legation it was because he had more business to transact with it. I observed that I thought he ought to look with special kindness upon a Legation which, by his own admission, gave him so little trouble as ours, and I said that, as he had honoured me by treating me as a friend and speaking to me with so much frankness, I would take the liberty of reciprocating his sincerity. I would not conceal from him that the general opinion in Tehran was that he was very partial to the Russian Legation and to Russian interests generally, and that I had thought it my duty to report this opinion to your Lordship, but that I had added that I did not think this alleged partiality would survive the Prince's accession to the throne, as I felt sure that he would realize the importance, in the interests of his country and dynasty, of cultivating specially friendly relations with England, which, more than any other Power, desired the maintenance of Persia's independence. I would, however, not fail to report to your Lordship the friendly assurances which I had now received from His Imperial Highness' own lips.

This is the second overture which the Valiahd has made in the sense of

professions of friendship, as some time ago he sent me a message couched in somewhat similar terms through the Mushir-ed-Dowleh. It is probable that he is desirous of convincing me that the charges made against him of a marked preference for Russia are undeserved, but it remains to be seen whether these friendly professions will find concrete expression in acts. He has certainly during his Regency shown great readiness to comply with any demand made by my Russian colleague, and it is possible that he may now prove equally conciliatory in matters affecting His Majesty's Legation. He has lately endeavoured to show his good-will by allowing the export of grain by Messrs. Lynch from Shuster, which, under a misapprehension as to the circumstances in which the embargo was imposed, he had hitherto declared himself unable to do without a reference to the Grand Vizier.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

P.S.—I omitted to mention, in connection with Urumiah affairs, that the Valiahd has promised to confiscate some house property belonging to Mir Ghaifar at Tabreez and bestow it as compensation on the heirs of Mushi Daniel.

A. H. H.

No. 105.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 182. Secret.)

My Lord,

Gulahek, August 21, 1905.

I HAVE the honour to transmit herewith, with reference to my telegram No. 103 of to-day's date, a translation of the Memorandum on Colonel McMahon's Water Award, which the Russian Minister has sent to the Valiahd, and which His Imperial Highness has referred to the Mushir-ed-Dowleh.

In addition to this Report, M. de Speyer has sent a very lengthy note to the Valiahd, the substance of which has been confidentially communicated to His Majesty's Legation, and of which I am endeavouring to obtain a copy, complaining of the Mustansir-ul-Mulk and the Yamin-i-Nizam as having sacrificed Persian interests to Colonel McMahon, and demanding the dismissal of these officers. The Russian note goes on to praise the Deputy-Governor (the son of the Hashmet-ul-Mulk) and the Karguzar, whose unfriendliness to British interests has been the subject of representations by His Majesty's Legation, and asks that a Special Commissioner should be sent by the Persian Government to inquire into the charges of corruption made by the Russian Legation against the Mustansir and the Yamin.

In compliance with this request the Valiahd has dispatched the Ekhtesham-ul-Vezareh, former Persian Commissioner at Gumbad-i-Kaboos, to proceed to Seistan and report on the matter. I am not personally acquainted with Ekhtesham-ul-Vezareh, but as soon as his appointment is public Mr. Grant Duff will have an opportunity of inquiring into its causes, and of making it quite clear to the Persian Government that we shall tolerate no Russian interference in the matter of the Water Award, nor attempt by the Russian Legation to obtain the dismissal of Persian officials who have cultivated friendly relations with our Commissioner.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 105.

Report sent by the Russian Legation to His Imperial Highness the Valiahd, dated July 20 (August 3), 1905.

COLONEL McMAHON'S Commission always asserted before his Award was given that it would not be contrary to Goldsmid's Award of 1872, whereas it now appears that the latter Award has been openly and distinctly disregarded, and its provisions have been contravened in the following manner:—

1. The water of the Helmund has not been distributed according to justice and equity, and only a third of the water has been awarded to the Persian Government, which will result in considerable loss and prejudice to Persian subjects.

2. The right to make canals, &c., which has been given to both sides, will bring about the cultivation of lands so far uncultivated on the left bank of the Helmund which belongs to Afghanistan, and on this account the Persian subjects who are unable to cultivate their lands because of want of water will go over to the other side and neglect their own land.

3. The permanent appointment of an English engineer for the distribution of the water and to maintain order there, who will in reality be an informant and spy, and will observe and take note of the doings of both sides, will bring about the diminution of the influence and independence of the Persian Government in those parts. The most astonishing circumstance is that this arrangement has been made secretly without the knowledge of the local Government or Karguzar, and without consulting the white beards or old men or specialists on the subject. Mirza Abdul Hamid Khan, Yamin-i-Nizam, in return for valuable presents and enormous bribes, has fallen in with all their wishes, and has agreed to all their demands.

No. 106.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 183. Confidential.)

My Lord,

Gulahek, August 22, 1905.

I ASKED M. Naus yesterday, in the course of a farewell visit which I paid him, whether the Persian Government had received any reply from St. Petersburg to its application, reported in my telegram No. 88 of the 24th ultimo, for a further Russian advance of 500,000 tomans on account current. His Excellency replied in the negative, but observed that it was very difficult to get an answer on a matter of this kind within a month from the Russian Ministry of Finance. The present Finance Minister at St. Petersburg, like M. Grube, did not, he added, share the view held by M. de Speyer that it was to the advantage of the Russian Government to get Persia deeper and deeper into its debt, and that every step taken in that direction was in itself a gain to Russian policy.

M. Naus again spoke to me very seriously about the financial situation, which he described as being more critical than it had ever been before. He is evidently in favour of a fresh large regular loan (he considers it, indeed, inevitable), in order to pay all the advances "à compte courant," being 12 per cent. interest, which the Persian Government has obtained from the Russian and Imperial Banks, and which now amount to over 600,000/. To pay off these advances and extinguish the deficit of over 200,000/. on this year's Budget, Persia would have, he said, to borrow at least 4,000,000 tomans, or about 800,000/., but this would only temporarily relieve the situation, unless the Government were seriously to undertake the task of reorganizing its finances, as, until such reorganization, there was no probability that the revenue would cover the expenditure, including the payment of the interest and sinking fund on the debt next year. Persia could still borrow another 2,000,000/. on the security of the customs, northern and southern, but such a loan would be the last one she could contract. After that her mortgageable revenues would be exhausted, and unless, besides borrowing this money, she applied a portion of it to reorganize the financial administration, he calculated that in three years time from now she would be obliged (1) either to apply to one or other of her neighbours for a subsidy ("secours"), which would of course entail heavy political concessions; or (2) to choose between suspending payment of the interest on the debt, which would mean foreign control over the customs, and the abandonment, for want of funds, of the maintenance of internal order, which would necessitate, at no distant date, active foreign intervention in some form. He agreed with me in thinking a serious and efficacious reform of the finances by the present Persian Government impossible, and believed that it could only be imposed on Persia by some foreign agency, as the result of an understanding between Russia and Great Britain. He urged upon me the advisability of the British Government's taking advantage of the present position of Russia to prevail on the latter to come to some agreement with us for the above object. I replied that I had always been of opinion that such an agreement, if attainable, would be very desirable, and that I hoped that after the conclusion of peace with Japan an exchange of views on the subject between our two Governments might be possible, but that it seemed to me unlikely that a discussion of the Persian question would yield any practical results so long as the war in the Far East continued.

It is clear that the originally well-meant efforts of the present Grand Vizier to deal with the financial problem have proved a failure, partly owing to his own inability to resist the temptation of making money for himself (a high Persian official assures me he puts by 800/. a-day), and partly owing to the impossibility in which he finds himself of coping with the extravagance of the Shah and Court.

The reforms effected in the collection and administration of the "Maliat" yielded, for the first nine or ten months of last year, an increase, compared with previous years, of 50,000/. (250,000 tomans); but this sum was spent by the Shah on presents to members of his family and favourites, 30,000/. going to pay the debts of the Salar-ed-Dowleh. The Persian Government is within a vicious circle; no Grand Vizier can really reorganize the finances and effect the necessary economies without offending the vested interests of the great courtiers, the mollahs, and the vast host of hereditary pensioners; and if he does so he runs the risk of being thrown over by the Shah, or of having to face an internal outbreak with which he is unable, from lack of funds or proper troops, to deal. He will naturally prefer, therefore, not to pay either the army or the officials regularly, and allow them to live from hand to mouth on the humbler mass of taxpayers, trusting to the submissiveness of an Oriental people long accustomed to oppression and to the difficulties attendant on a serious general rising in a sparsely-populated country of great distances.

I learn from a Persian source that the negotiations for the advance of 150,000/. from England are expected to be successful, the chief point still under discussion being that relating to the definition of "Fars and the Persian Gulf"; but, even so, this year's deficit will be reduced, not entirely extinguished.

Since writing the above I have again seen M. Naus, whom I had promised to inform if the King's Messenger brought me news of the completion of the proposed advance by His Majesty's Government. He told me that, in reply to inquiries of the Grand Vizier on this subject, he had just received a telegram from his Highness saying that he hoped still to arrange the discount of the Imperial Bank royalties, and expressing his surprise and that of the Shah that M. Naus, after the Russian advance of 500,000 tomans made a few weeks ago, should still ask him for money. M. Naus answered, by telegram, that almost the whole of the Russian advance, namely, 420,000 tomans, had been absorbed by the payment of arrears of interest on account current due to the Russian and Imperial Banks, so that he had only 80,000 tomans in hand; that both I and the Chief Manager of the Imperial Bank had assured him that the bank royalties discount scheme would not be entertained; and that, unless further funds were immediately obtained, he would have to stop payment within the next few weeks. This year's deficit is, it appears, about 300,000/., though payments from the provincial Governors are still slowly coming in, and the debt "à compte courant" to the Russian and Imperial Banks, bearing 12 per cent. interest, is 2,400,000 tomans, or 680,000/., so that the amount to be borrowed in order to extinguish these liabilities would be nearer 1,000,000/. than the figure of 800,000/., or 4,000,000 tomans, given me yesterday by M. Naus. The Grand Vizier, however, will not let his Excellency see the Budget, so that his Estimates are only approximate.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

No. 107.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 184.)

My Lord,

Gulahek, August 22, 1905.

I HAVE had the honour to receive your Lordship's despatch No. 117 of the 8th instant respecting the proposed motor-car service in Persia.

I agree with the view expressed in the letter from the Board of Trade of the 18th July that the bad condition of a large part of the Resht road, especially in the hill country between Kazvin and the frontier of Gilan, will constitute a serious difficulty in the way of the working of the service, and I have in my previous despatches on this subject expressed myself as by no means confident that the experiment will prove a success. It is, however, probable that the cars will not be run at high speed, and on the Kazvin-Tehran section, as well as over the greater part of the new Kazvin-Tabreez road, which is being built in such a way as to be quickly

convertible into a railway, they would only experience serious difficulties from snow and rain during the months from December to the end of March, inclusive. In any case, there appears sufficient possibility that the new service may successfully compete with animal transport to make the question of a countermove one deserving of immediate consideration.

My correspondence with the Government of India, copies of which I had the honour to forward in my despatch No. 173, Confidential, of the 12th instant, will to some extent have answered the concluding paragraph of your Lordship's despatch under reply.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 108.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 185. Confidential.)

My Lord, *Gulahek, August 23, 1905.*
I HAVE the honour to transmit herewith, with reference to my despatch No. 181 of the 21st instant, a copy of a despatch which I have received from His Majesty's Consul-General at Tabreez on the subject of the Valiahd's finances. Your Lordship will observe that, according to this despatch, His Imperial Highness is desirous of paying off his debt to the Russian by a fresh loan from the Imperial Bank, and hopes to be able to convert advantageously, in view of the political advantages which he supposes would accrue from the retransfer to the English Bank of his account.

Although the Valiahd is a very unsatisfactory client from a purely business point of view, it would, I think, be a wise move on the part of the Imperial Bank to entertain any suggestions which he may make through the Nizam-es-Sultaneh favourably. It is certain that the step which he is alleged to be contemplating will estrange him to some slight extent from the Russians, and may enable Mr. Wratislaw, when His Imperial Highness returns to Tabreez, to renew relations with him under more advantageous auspices.

It is, of course, always possible that the profession of this desire by His Imperial Highness to resume his old relations with the Imperial Bank may, like his language to myself a few days ago, be merely intended to dispel the impression that he is animated by partiality to Russia.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 108.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 36. Confidential.)

Sir, *Tabreez, August 11, 1905.*
I HAVE the honour to report that some time ago Nizam-es-Sultaneh, the Valiahd's *locum tenens*, broached to me the subject of the Prince's financial affairs, and expressed his regret that His Imperial Highness' account should have been transferred from the British to the Russian Bank. I agreed with him that this was a pity, and added that I understood that, should the Valiahd be desirous of resuming his former relations with the Imperial Bank of Persia, the General Manager was prepared to recommend his proposals to the favourable consideration of the Board. Nizam-es-Sultaneh said he was very glad to hear it, and that he would write and inform the Valiahd.

Yesterday Nizam-es-Sultaneh informed me that he had heard from the Prince, who, he stated, was anxious to retransfer his account, and wanted to know the Bank's terms. I replied that the Bank could hardly state its conditions unless the Prince explained exactly what he wanted, and I suggested that, as His Imperial Highness was now at Tehran, the simplest way would be for him to enter into negotiations on the spot.

I gathered from Nizam-es-Sultaneh that the Valiahd would require an advance at least sufficient to pay off his entire indebtedness to the Russian Bank, which, I believe, amounts to over 600,000 tomans. He would certainly expect easier terms

than the Russians gave him, and these were by no means extortionate; but the transaction, if it comes off, should be looked on less as a purely commercial operation than as a means of standing well with the future Shah, a consummation obviously in the interests of the Bank.

Nizam-es-Sultaneh was rather vague as to what the Valiahd actually wrote him, but His Imperial Highness would evidently be glad to know the conditions on which the Imperial Bank of Persia will consent to finance him.

If negotiations to this effect are to be undertaken, Nizam-es-Sultaneh is a better intermediary than the Imam Jumaa, who is inclined to be garrulous, as it is of importance that the matter should be kept secret.

I have, &c.
(Signed) A. C. WRATISLAW.

No. 109.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 195.)

My Lord, *Meshed, September 9, 1905.*
I HAVE the honour to report that, as authorized by your Lordship, I left Tehran, accompanied by Mr. Churchill, on the 23rd ultimo, and arrived on the afternoon of the 31st ultimo at Turuk, a few miles outside Meshed, where I camped previous to making my entry on the following morning into the city. It is unnecessary for me to submit to your Lordship any description of the well-known road from Tehran to Meshed, but I would observe that the remark made to me by the Sani-ed-Dowleh to the effect that to all intents and purposes it was already suitable, for motor cars appears to me unduly optimistic, there being a great many places, from the Caspian Gates, a day's journey from Tehran, to the rough hilly country between Nishapoor and Meshed, where a good deal of levelling would have to be done before the track would be fit for such vehicles. It is, however, carriageable throughout. I drove for 250 out of the 550 miles between Tehran and Meshed in a light Victoria without undergoing any discomfort, and could easily have driven the rest had I not found it less fatiguing and quicker to ride.

In order to avoid the expense attendant upon "Estekbals," I had informed the Mushir-ed-Dowleh and His Majesty's Consul-General at Meshed that I proposed travelling incognito up to the immediate neighbourhood of the latter city. This intention was, however, defeated by the well-meant courtesy of the Governor-General of Khorassan, and at El Hak, on the western boundary of the province, I was met by an escort sent by the Governor of Sabzevar, a similar compliment being paid to me at a short distance of Nishapoor by the Governor of the latter city. At both places, moreover, I was the guest of the local Governor. The presents which this involved have somewhat unexpectedly increased my expenditure, but, on the other hand, in view of the importance of British interests in Khorassan, it is perhaps as well that the Representative of the King-Emperor should, on the occasion of his first visit to the province, have been, even in its less important cities, a recipient of the customary honours to which Persians attach so much significance.

My public reception at Meshed, as arranged by me with the Mushir-ed-Dowleh and Major Sykes, was similar in character to those accorded to me at Shiraz and Tabreez. It was "semi-official," plain clothes being worn by all except the officers of the British Consulate-General at Meshed, who appeared in undress uniform. The Karguzar, as had been done at Tabreez, welcomed me on behalf of the local Government in a garden outside the city gates, and shortly after my arrival at His Majesty's Consulate-General, I received the official visit of the Asef-ed-Dowleh, Governor-General of Khorassan, which I returned on the following day. The "Sepahsalar," or Commander-in-chief, the Deputy Guardian of the Shrine, and all the other chief Notables of Meshed, called later, and received return visits, the only exception being the "Mutavelli Bashi," or Chief Guardian of the Shrine, who, I am informed by Major Sykes, is a very arrogant person, especially since he has married a daughter of the Shah, and who has never visited or even been willing to return in person the visit of any European.

On the afternoon of the 5th instant a reception of the British-Indian community was held in my honour in the garden of His Majesty's Consulate-General, and after the recitation of a complimentary poem, I received an address from the Indian merchants. The address concluded by urging me to devise some means of increasing trade facilities between India and this part of Persia. "Your Excellency," it continued, "is well

aware that the long and unsafe route of Bunder Abbas, the dearness and scarcity of transport on the Seistan route, and the prohibition against carrying merchandize via Kandahar and Herat, have interfered with the trade of Khorassan. We are pleased to hear that rates are being made cheaper for the Seistan route, but until they are the same as for Bunder Abbas no good will be derived from this concession."

In my speech, in reply, I informed the merchants of the representations which I had made by the wish of the Government of India to the Persian Government, respecting the insecurity of the Bunder Abbas route, and of the proposals which had been drawn up by His Majesty's Consul at Kerman, and with which the Governor-General of Kerman and Baluchistan had concurred for remedying this state of things. I promised to call the attention of the Government of India to the question of rates on the Seistan route, but pointed out that, to allow free transit from Karachi across Indian territory in the case of goods destined for Persia would be a new departure on the part of that Government, which would require very careful consideration. I assured my hearers, however, of the keen interest which was felt both by the Government of India and by your Lordship in the maintenance and development of British and Indian commerce in Eastern Persia, and of my own readiness to lay before you any suggestions which they might have to make with a view to its promotion.

The Afghan Commercial Agent, who was present at the reception, asked to see me in private afterwards, and complained of the hindrance to his country's trade with Persia caused by the oppressive and high-handed proceedings of the Belgian Customs officials and their Persian subordinates on the Perso-Afghan frontier, as well as of the vexations of the present passport system. He has, I believe, made unsuccessful representations on this subject to the local authorities at Meshed, who have treated him very cavalierly, and it is perhaps not a bad thing that he should be compelled to have recourse to us. I promised to speak myself about his grievances to the Karguzar, and also to write to M. Naus.

I have much satisfaction in observing and in being able to report to your Lordship the excellent relations which prevail between Major Sykes and the Persian authorities and officials of all classes at Meshed, by whom he appears to be greatly esteemed, and who have given him very practical proofs of their goodwill. When he arrived here a few months ago the attitude of the Karguzar, the Nazim-ul-Mulk, was so obstructive that I had to complain of him to the Mushir-ed-Dowleh, and to ask that the Special Commissioner who was being sent at the request of the Russian Legation in connection with its claims for damages due to the riots should also settle the numerous cases with which the Karguzar seemed unable or unwilling to deal. In the meanwhile, however, Major Sykes had succeeded by bringing his personal influence to bear on the Nazim-ul-Mulk in obtaining a satisfactory settlement of all the outstanding cases, and both the Governor-General and the Karguzar are at present on the most cordial terms with His Majesty's Consulate-General.

Major Sykes' relations with the Belgian Customs Department are also of a very friendly character.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 110.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 197. Secret.)

My Lord,

Meshed, September 9, 1905.

IN my despatch No. 113 of the 22nd May last I had the honour to inform your Lordship that I proposed, after my contemplated visit to Meshed, to report more fully to your Lordship than I then felt able to do, on the question of the maintenance there of a Military Attaché.

I have satisfied myself from what I have seen of the work here that it is impossible for the duties now devolving upon Captain Smyth to be properly performed either by the Consul-General or by the Indian "Political Attaché," who acts as the latter's Oriental and Diplomatic Secretary. The business of the Consulate-General at Meshed is very heavy: its mere regular routine, the Indian accounts, the requirements of the Consular guard of sowars, the work in connection with the upkeep of its extensive buildings, and the ordinary correspondence on current matters, such as the every day cases and affairs of the British Indian Colony and pilgrims, not to speak of Afghan

and other protégés, both with the Persian authorities and the Government of India, quite apart from the Political and Intelligence Reports, keep the ordinary staff busy from 9 A.M. to 5 or 6 P.M. every day, longish hours in an eastern climate, and it is rare that they have a whole holiday on Sunday, though since Major Sykes has been in charge he has endeavoured to arrange that their Sunday work should terminate by noon.

The political work, properly so-called, at so important a post of observation and centre of Russian activity as Meshed, absorbs all the time which the Consul-General can spare after the supervision of the routine business above described, and much of it is done by the Indian Attaché, who has to keep in close and regular touch by personal intercourse with the Governor-General, the Shrine officials and other local authorities, and to manage under the Consul-General's orders the Persian Political, as distinct from the Military and Russian Secret Service Department. I have no hesitation in saying, from what I have seen here, that as the work increases, more, rather than less, assistance is required by the Consul-General, and that it would be impossible for him to combine with his present duties the efficient discharge of those now performed by the Military Attaché.

The question which has therefore to be considered is whether, especially now that the political situation in Asia, which existed when I last had the honour to address your Lordship on the subject, has been modified by the conclusion of peace between Russia and Japan, it is necessary to maintain at Meshed an Intelligence Department for Central Asia. I am inclined to answer this question in the affirmative, at any rate for the immediate present. It is possible that the most important part of the work, which is now done by the Military Attaché here may, at no distant date, be performed by a British Consul at Tashkend. I believe that the appointment of such an officer has been for some time past under consideration, and that the Russian Government have not refused it in principle, though they have attached certain conditions to it. It could obviously not well be opened afresh so long as the Japanese war was raging, but if the conclusion of peace is followed by a *détente* in the relations of the two Powers in the Middle East, it might perhaps be advantageously rediscussed. A British Consul at Tashkend, who would presumably be a military officer, would be able, without depending upon the reports of spies, whom, as he would be very closely watched at least at first, he would have to be very careful about employing, to furnish much of the information as to the strength and movements of the Russian troops and other military matters in Central Asia for which the Government of India and Intelligence Department must now largely rely on news supplied from Meshed. Until, however, we have not merely obtained from the Russian Government the recognition of a British Consul at Tashkend or elsewhere in Central Asia (I have merely suggested Tashkend as the capital of Turkestan, and as a point more or less equi-distant from the Persian, Afghan and Chinese territories), but have tested by a year or so's experience the practical possibilities of obtaining through him all the political and military intelligence, secret as well as easily accessible, which we require, I am strongly of opinion that it would be wise to adhere to the plan of retaining the Consulate-General at Meshed as the head-quarters for our Secret Intelligence Department in Central Asia. There are many reasons which lead me to this conclusion:—

1. At Meshed, under the apathetic and not unfriendly rule of Persia it is possible to carry on Secret Service operations with a security which could not exist at any place within Russian territory.

2. Both as a large centre of population and as a holy city, constantly swarming with Mahomedan pilgrims from all the countries bordering on India, including Afghanistan and Russian Central Asia, it affords facilities for obtaining Secret Agents without attracting any special attention, and through them establishing relations with informants in those countries, and thus spreading, as Captain Smyth is gradually doing, a network of intelligence officers all over the region from which we desire to obtain news.

3. The Persians, with all their faults, make on the whole better Secret Service agents than the Afghans or the natives of India. The latter are much more closely watched by the Russians. They are, more especially the Afghans, less wily, and more apt to betray their real character. Their correspondence to us addressed to other Persians living on or near the Khorassan frontier, or in Meshed itself, is less likely to be opened than if they were either Afghan or British subjects, and Captain Smyth informs me that none of the numerous agents employed by him at various centres in Trans-Caspia and Turkestan have, up to the present, been detected by the Russians. The weak point in their intelligence, apart from the want of absolute accuracy,

which is common to all Orientals, is their technical ignorance as to military matters, their inability, for example, to distinguish between the uniforms of different regiments, different kinds of artillery, &c., but Major Sykes and Captain Smyth believe that this can be, to a great extent, remedied by sending one or two of the abler among them (which can easily be done without exciting observation) to India, where they could get the training necessary to enable them to report in a thoroughly trustworthy fashion upon such matters.

If the system at which Captain Smyth has been working for nearly two years with results which may, I think, be regarded as successful, is allowed to develop, I venture to hope that we may before long be in possession, through this Consulate-General, of early and full intelligence on every event of political or military interest occurring in Trans-Caspia, Bokhara, Ferghana, and Turkestan. Until, therefore, as I ventured to observe, we are able to obtain such intelligence direct through a regular political officer stationed in Russian Central Asia, it would, I think, be a great mistake to relax our efforts in this direction at Meshed. I would even be inclined to continue to maintain our Intelligence Department here for some little time after the appointment of such an officer. It is certain that a British Consul at Tashkend would, during the earlier days of his appointment, be subject to continuous espionage, that no native other than a British Indian having explicable business with his Consulate, could visit him without danger of arrest or deportation, and that nothing would afford the Russian officials in Central Asia more satisfaction than to catch him out employing spies, and thus have a pretext for demanding his removal. It would therefore be necessary for him at first to walk most warily, to confine himself to reporting those military facts which he could ascertain in a perfectly above board fashion, and to cultivating cordial personal relations with the officers, both civil and military, with whom he would have to deal. Gradually as these got more used to his presence, he would doubtless be regarded with greater friendship and less suspicion, and might, before very long, if a man of tact, be able to mix as freely with all classes, as is the case with our Consular officers at Moscow, Warsaw, and other centres of European Russia. When this happened it might be possible to suppress, or greatly reduce, the activity of the Intelligence Branch here at Meshed. Under present circumstances, I should myself wish to see it strengthened by the appointment of a subaltern officer as an assistant under-study, and *locum tenens* to Captain Smyth. This would be just as cheap in the long run as bringing, when the Military Attaché goes on leave, another officer all the way from India to replace him, and would be much less likely to disorganize the rather delicate work he had to do. It would also relieve the Political Native Attaché of a good deal of translating and other work which he has now to do for Captain Smyth, and which takes him away from his own special duties. The above considerations would naturally apply with even greater force if the result of peace with Japan is to render Russia more aggressive in the Middle East, as the line of least resistance to her Asiatic ambitions. As to whether this is likely to happen I am, of course, not able to express an opinion.

I have the honour to transmit herewith, for your Lordship's information, in case it should not have reached you through the India Office, a copy of a despatch addressed on this subject by Colonel Minchin to the Government of India, which will give you a fair idea of the cost and working of the present Military Intelligence Branch at Meshed. Colonel Minchin was, I believe, in favour of making this Intelligence Branch entirely separate from the Consulate-General, so as to allow Captain Smyth to communicate directly and independently with the Intelligence Department at Calcutta, without the Consul-General's being in any way responsible for his work.

I do not myself think this idea a good one. It appears to me that the Secret Service work, both Persian and Central Asian, is so closely interdependent that both should centre in the Consul-General, and that the reports of the Military Attaché, whether dealing within or beyond the frontiers of Khorassan, should be supervised by the political chief of the Meshed Mission in the same way as are those of a Military Attaché at an Embassy or Legation by the Ambassador or Minister in charge of it. Major Sykes, with whom I have discussed this whole question at some length, who concurs in the views expressed by me in my despatch No. 113 of the 22nd May, as well as in this despatch, and to whom I am indebted for several suggestions, notably the one which I have put before your Lordship about the training of some of our best informants in India, is addressing the Government of India in much the same sense. I understand, however, from him, and I inferred as much from your Lordship's despatch No. 63, of the 25th April, that the question is not one for the decision of the Government of India alone, but will form the subject of an exchange of views

with the Imperial Government which will be called upon to consider what share, if any, should be borne by His Majesty's Treasury in the maintenance of the Intelligence Branch at Meshed. It is for this reason that I have ventured, in anticipation of your Lordship's instructions, to enlarge at some length on this subject.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

P.S.—I have the honour to inclose a copy which Major Sykes has just sent me of his report on the above subject to the Government of India.

A. H. H.

Inclosure 1 in No. 110.

Consul-General Minchin to Government of India.

(Secret.)

Sir,

Meshed, February 9, 1905.

I HAVE the honour to address you regarding the provision of a separate office establishment and separate Secret Service funds for the Military Attaché recently added to the staff of this Consulate-General.

The ordinary establishment of news-agents for this agency is three, viz., at Krasnovodsk, Sarakhs, and Merv. Since the outbreak of the present Russo-Japanese war and the appointment of Captain Smyth as Military Attaché of this agency, the number has now increased to nine news-writers constantly employed, besides occasional travelling agents in addition.

Captain Smyth also employs a man to read the Russian newspapers to him and causes to be translated any portion of them likely to be of interest.

The result has been that the greater part of my Political Attaché's time is taken up with arranging the dispatch of news-writers to Trans-Caspia and Russian Turkestan, their transfer from place to place to insure their safety, transmission of money to them, settlement of their accounts, and more especially with the enormous amount of translation work which has now to be done.

My Political Attaché, who is my right hand man and by far the most important to me of all my office establishment, is gradually being absorbed from his work by the Military Attaché, and the political work of the agency not only suffers considerably in consequence, but my own work, already sufficiently heavy, is thereby much increased, since the Political Attaché is my confidential clerk, and what he has not time to do falls largely on me. It results, therefore, that the assistance in the work given me in the one direction by the appointment of a Military Attaché threatens to be more than neutralized by the loss of my Political Attaché in another.

The Political Attaché deals with the large number of Consular cases always on hand with the Governor-General, the Karguzar, the Customs, and the Russian Consulate, and these have lately fallen much into arrears, to the great detriment of our traders here. My Political Attaché also accompanies me at the many visits I have to pay or receive, he also often accompanies the Medical Officer; he has also to constantly visit and make friends with the leading Persians and keep himself perfectly in touch with all classes of people to ascertain what is going on, and last, but by no means least, he has to assist me in collecting the mass of information required for my annual Trade Report.

I would further point out that if at any time the Consul-General were required to go on tour and took his Political Attaché with him, the Military Attaché's work is liable to be seriously interfered with unless he has a separate office establishment of his own, which, again, he can take with him should he also in his turn require to go on tour.

Besides, however, absorbing my Political Attaché, the increased expenditure by the Military Attaché in collecting intelligence falls on my Secret Service Fund here, again crippling the political work for which the Consul-General is directly responsible. In short, the more the Military Attaché does under present conditions and the more efficient he strives to make his Department, the more he causes inefficiency in the political work.

The intelligence work of this agency is just at present of the highest importance and even after the conclusion of the present war is likely to remain so.

I would ask, therefore, that the Intelligence Branch may be asked to provide the Military Attaché not only with an entirely separate clerk of his own, but also with a separate Secret Service grant.

I attach two statements showing what funds are required in this agency, under the two heads:—

Statement (A) gives the present establishment of news-agents, the pay they receive, and other expenses incurred for purely Intelligence Branch purposes, including a clerk for the Military Attaché. The pay of this clerk may seem high, but it must be remembered that he has the lives of our news-agents, or most certainly their liberty, in his hands and must be a picked man and absolutely trustworthy.

Statement (B) shows the present expenditure for political purposes.

The present combined Secret Service grant for this agency is 14,40 rupees, but I would ask that from the 1st April, 1905, the following grants may be allotted:—

					Amount.
					Rupees.
Political Secret Service grant .. .. .	..	..	..	..	9,000
Military .. .. .	..	..	..	..	12,500

The latter would, I conclude, be found by the Intelligence Branch.

Captain Smyth is, I understand, separately addressing the Intelligence Branch as to the individual he would wish to be sent here as his clerk.

It is for consideration whether His Britannic Majesty's Legation at Tehran might not be asked to share the above expenditure. The Legation seem quite willing to place funds for Secret Service purposes at the disposal of the Consul-General here, and though I have not myself asked His Britannic Majesty's Minister for any money, the latter placed a sum of 300*l.* at Lieutenant-Colonel Temple's disposal in 1901-1902.

I would ask that early orders may kindly be passed on the questions raised above.

I have, &c.
(Signed) C. F. MINCHIN, Lieutenant-Colonel,
His Britannic Majesty's Consul-General, &c.

STATEMENT (A).

ESTIMATED Annual Intelligence Branch Secret Service Expenditure of the Meshed Agency.

					Pay per Mensem in Persian currency.	Equivalent in Rupees.
News-agents at—					Tomans.	Rupees
Krasnovodsk .. .. .	..	..	..	..	30	
Merv .. .. .	..	..	..	..	23	
Sarakhs .. .. .	..	..	..	..	20	
Askaniya .. .. .	..	..	..	..	23	
Chargui .. .. .	..	..	..	..	23	
Patakisar .. .. .	..	..	..	..	30	
Samarcand .. .. .	..	..	..	..	23	
Tashkend .. .. .	..	..	..	..	23	
Kushk .. .. .	..	..	..	..	30	
Russian newspaper writer .. .. .	..	..	..	..	10	
"Postman," i.e., individual through whom at Meshed news letters are received .. .. .	..	..	..	..	15	
Special rewards, special travelling agents, travelling expenses of all news-agents, &c. .. .. .	..	..	..	..	50	
Expenditure per month .. .. .	..	..	..	..	310	840 12
.. per annum .. .. .	..	..	..	..	..	10,080
Add pay of one British clerk, at 200 rupees, plus 3 tomans, or rupees 7:8:0, ration allowance, per mensem .. .. .	..	..	..	..	..	2,490
Total .. .. .	..	..	..	..	..	12,570

Or, say, 12,500 rupees per annum.

STATEMENT (B).

ESTIMATED Annual Political Expenditure of the Meshed Agency.

					Amount.
					Rs. a. p.
Fixed monthly payments to news-agents in Karguzar's office, Russian Consulate, telegraph office, &c., 104 tomans, or ..	..	..	..	..	256 12 0 12
Per annum .. .. .	..	..	..	..	3,081 0 0
Required for purchase of Toshakhana presents .. .. .	..	..	..	..	2,500 0 0
Other miscellaneous expenditure, such as cash presents to Persian officials on Persian New Year's Day, special rewards for intelli- gence, cash presents to servants of Persian Notables in return for presents sent to me .. .. .	..	..	..	..	3,500 0 0
Total .. .. .	..	..	..	..	9,081 0 0

Or, say, 9,000 rupees a-year.

Inclosure 2 in No. 110.

Major Sykes to Government of India.

(Secret.)

Sir,

Meshed, September 7, 1905.

WITH reference to Colonel Minchin's letter dated the 9th February, 1905, to the Government of India, and Sir Arthur Hardinge's letter dated the 22nd May, 1905, to Lord Lansdowne, I have been awaiting the Minister's arrival before addressing you on this very important subject.

2. I consider that Meshed, as the chief town of North-East Persia, and a holy city visited annually by thousands of pilgrims, is a unique centre for spreading a network of intelligence all over Central Asia. I also hold that it is equally unique as a training centre.

In case of the invasion of India by Russia, which is, after all, the only military problem of first-rate importance which confronts the Government of India, the rôle to be played by the Meshed staff, whether actually at Meshed or not—the Russians might occupy the city—would be one of the utmost importance. This is so self-evident that I need not enlarge on it, but will at once come to my point.

3. Briefly I recommend that Meshed should be considered to be a field section of the Intelligence Branch, and that its present scale should be expanded with caution but yet with determination.

I hold that Intelligence men should not be trained in India, but should be selected from among our picked agents who have proved their capacity. They could be sent to India for special training and study of the various kinds of armaments, &c., and thus be able to report with certainty whether a battery was composed of siege or field guns and so forth. They would be encouraged while at their posts to become proficient in Russian and the languages of Central Asia. If money was forthcoming for this scheme we should be training men to do the same work in peace as in war, and this is universally acknowledged to be extremely desirable. I think that the results already obtained by Captain Smyth are such as to warrant the presumption that, given a larger budget, still better results may be anticipated.

4. To organize such a corps, and, still more, to secure continuity of working which, in my opinion, is vital in handling such delicate mechanism, I think that an assistant in the shape of an officer in the Intelligence Branch might well be appointed to Meshed. He would, in any case, obtain most valuable training in dealing with all sorts and conditions of Asiatics, not to mention Russians and Belgians.

As much of the intelligence work is necessarily of a preparatory nature, surely the *milieu* of Meshed would be ideal.

5. A translator (on a salary of 150 rupees per mensem, rising to 250 rupees per mensem) should be appointed to this office under the Native Attaché. This man

would deal with the accounts and translate the numerous letters, besides, of course, assisting in the dispatch of the agents.

6. In my opinion and that of Captain Smyth, both the Military Attaché and the Assistant should be, as is now the case with Captain Smyth, under the orders of the Consul-General. I differ in this from Colonel Minchin, who advocated a separate establishment. Experience is, however, against creating an *imperium in imperio*, and any separation would, I fear, lead to friction much greater than any that need be apprehended under the scheme outlined by me. At present there is no friction, although the system by which Captain Smyth increases his usefulness at the expense of the Consul-General is only possible as a temporary measure. In this connection I agree with what Colonel Minchin has written on this subject, and would refer to his full and lucid explanations.

7. I also agree as to the Secret Service budgets being separated, with the reservation that one budget be allowed to aid the other, if in a position to do so. Of course if my views be accepted the cost would be greater than at present, but, in my opinion, no money could be better spent. The lessons of the recent war constitute an indisputable proof of the above.

8. I have not alluded to the possibility of the establishment of a Consulate at Tashkend affecting the position at Meshed. If founded no intelligence system could be worked from it—at any rate for some years—as the Consulate would be full of informers and watched by the secret police. Moreover, men working from a pilgrim centre like Meshed would be infinitely less liable to be detected, and complaints against a Consul-General accredited to a neighbouring country would not have much effect.

9. I am aware that almost everything would depend on the “give and take” of the Consul-General and the Military Attaché, in which connection I would venture to point out that I have been connected with the Intelligence Department at home, in India, and in South Africa. I consequently hope that everything would run in perfect harmony and with a total absence of friction, as at present.

A copy of this letter has been handed to His Britannic Majesty's Minister.

I have, &c.

(Signed) P. MOLESWORTH SYKES, Major, His Britannic Majesty's Consul-General and Agent of the Government of India in Khorassan.

No. 111.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 198.)

My Lord,

Meshed, September 9, 1905.

YOUR Lordship will have observed in the correspondence with the Government of India respecting the proposed introduction of motor-cars into Persia, which I had the honour to transmit to you in a recent despatch,* that I recommended Major Sykes being consulted on this question, in view of the unique knowledge possessed by him of the roads connecting the principal centres in Eastern and South-Eastern Persia.

Since my arrival at Meshed I have had several talks on this subject with Major Sykes, and I have the honour to inclose herewith a copy of a despatch addressed by him to the Government of India, respecting Mr. Newcomen's proposal to obtain a Road Concession from Bunder Abbas to Bam. Your Lordship will notice that Major Sykes recommends that the road starting from Bunder Abbas should run to Rigan, a point some distance south-east of Bam, on the ground that between Bunder Abbas and Rigan there is a comparatively easily negotiable pass only 4,000 feet high, whilst the ascent to the central table land by the direct road to Bam involves a pass more than twice that height. Major Sykes informs me that the existing road from Kerman, via Yazd to Kashan and Tehran, is already in such good condition that a carriage can drive over it at the rate of 7 miles an hour, and that little or nothing would require to be done in order to make it serviceable for motors. The road is, of course, not a made one—merely a natural track over a hard and gravelly soil, running through a mainly desert country, with a very slight rainfall—though, no doubt in order

* See No. 73.

to render it perfect, improvements would have to be effected where it crosses gardens, cultivated fields, and the canals on which they depend in the immediate neighbourhood of towns and villages.

If, as I think may be fairly contended, the Persian Transport Company has, under the old Concession of the Imperial Bank of Persia, exclusive running powers over the Tehran-Kum road, this would give it the necessary leverage for coming to some arrangement with the Sani-ed-Dowleh, under which he should share those powers on the Tehran-Kum section of the great southern road, and in return give the Transport Company, with the assent of the Persian Government, a share in his monopoly between Kum and Kerman or Rigan. The Persian Government might at the same time be asked, until such time as it could guarantee the undisturbed operations of the Transport Company's engineers and caravans in the now insecure region between Burujird and Dizful, to grant that Company, or another English undertaking, the right to construct and work a road from Bunder Abbas via Rigan to Bam. I hope next year, with your Lordship's permission, to return to Tehran via Seistan and Kerman, and myself to see the route from Bam to Kashan which Major Sykes, on the strength of his special experience, recommends, not so much from a commercial as from a political point of view, as the route to be adopted by us for the transport of goods by motor-cars; but the accounts which I have obtained of it from various sources confirm the impression derived by me from Major Sykes that the difficulties in the way of a motor-car service along it would be far less formidable than those which the Russians will have to encounter on the Resht-Tehran and Tabreez-Kazvin roads, traversing, as these do, and more particularly the former, very mountainous country subject to heavy falls of snow, and, in Ghilan, to constant rain during a great part of the year. One great drawback to south-eastern, as compared with the Bushire or Ahwaz roads, is undoubtedly the greater distance to be covered before the markets of Central Persia to the west of the great salt desert, such as Tehran, Kum, Kashan, Ispahan, Sultanabad, and Burujird, are reached; but this drawback would appear to be balanced by the far greater facility of communications afforded by Major Sykes' scheme, and I am disposed therefore to think that that officer has made out a strong case in its favour.

Though the direct road from Kerman to Tehran leaves Ispahan well to the west, and effects its junction with the great southern caravan route close to Kashan, it would, I understand, be quite easy without any great expenditure of labour to connect Yazd with Nain and Ispahan by a road on which motor-cars could run. I gather from recent conversations which I have had with the representative of the Transport Company at Tehran, that their present idea is to connect Kum and Ispahan by a road running west of the present caravan route through Kashan and avoiding that city.

This road, which will be practically identical with what is now called the “Naizar” route, follows the Kum-Sultanabad road for about 25 miles to a place called Anayet Beg, and then strikes south past Naizar and Dodakh to Ispahan, keeping west of the Kohrud Pass. Its final adoption is, however, I am informed, still under the consideration of the Directors.

I have, &c.

(Signed) ARTHUR H. HARDINGE.

Inclosure in No. 111.

Major Sykes to Government of India.

Sir,

Meshed, August 9, 1905.

THE Government of India recently honoured me by their telegram dated the 31st July, 1905, requesting my opinion on the subject of motor services in Southern Persia, and also asked for any suggestions I might have to offer.

To this I replied briefly in a telegram dated the 2nd August, 1905. I now venture to discuss the question more fully, and hope to be able to advance satisfactory reasons for the suggestions made and the opinions expressed in my telegram.

I would, however, point out that the question of taking over the Imperial Bank of Persia, or of starting a separate Bank in Persia under Government auspices, is dealt with in my letter dated the 4th August, 1905, which was being written when the telegram referred to above reached me.

The question is not one, in my opinion, which must necessarily be entirely decided on the merits of the case, but is one which raises the far wider and more important problems of general policy. I think I am correct in assuming that British policy in Persia is defensive and not offensive, although, like all policies and defences worthy of the name, it is active and not passive. It is also mainly, if not entirely, a policy connected with the defence of India, which is being threatened in various ways by Russia.

Under these circumstances, in taking any action we should bear in mind not merely the present state of affairs, but we should examine how this present state of affairs has grown up, and then see whether it is desirable to continue working on the old lines, or whether a new policy more suited to our needs should not be evolved. Our main base in treating of Persia is the inlet of the Arabian Sea known as the Persian Gulf. In it there are only two ports—namely, Bunder Abbas and Bushire—which need concern us, as the country behind Lingah is too rugged to admit of communication with the interior, except under great disadvantages. As the resources at our disposal are limited, and our action is taken for the defence of India, it seems to me that, from every point of view, Bunder Abbas possesses claims superior to those of Bushire, if our measures are to be confined to one port.

To take the political aspect, caravans from Bunder Abbas trade with the whole of Western Afghanistan, with Khorassan, including Seistan, and with the whole of South-East and part of Central Persia. This zone is, in my opinion, more vital to the defence of India than the west of Persia, hence I have always held that, so far as Iran is concerned, political ascendancy at Kerman and Bam is of greater value than at Shiraz and Kazeroun.

There is little doubt that the motor-car is the forerunner of the railway, and surely it is evident that, given equal conditions in other ways, a line running inland from Bunder Abbas would play an infinitely more important part in the active defence of India than one constructed hundreds of miles further west.

I might enlarge on this aspect of the question, but, writing for experts, it seems to be unnecessary to do so. To take the question geographically, it is not fully grasped that from near Kum down to Baluchistan a road, railway, and telegraph line would run down one and the same valley, which constitutes, I should imagine, about the easiest country in the world for the purposes above mentioned. The Central Persian telegraph line was constructed down this valley in 1903-1904, and my prognostications as to the ideal suitability of the country were completely fulfilled.

To resume, it is obviously desirable to strike this valley as near the sea as possible, and, as a glance at the map shows, this can be done from Bunder Abbas at Rigan, where the great range which holds up the Iran plateau is traversed by two easy passes, situated at an altitude of only 4,100 feet above the sea level. These passes, known as the Godar-i-Gishu and the Godar-i-Sabzu, were those which I arranged for the Commercial Mission to cross a few months ago, and I may add that Mr. Gleadowe Nowcomen was as much impressed as myself with their importance, and has no doubt referred to them in his Report. Elsewhere, altitudes exceeding 7,000 feet have to be faced, whereas here the engineer's task is comparatively easy. All over the world it is these facts which settle trade communications of all kinds, and by this pass almost the whole of the caravans pass on their weary way from Bunder Abbas to Seistan, Khorassan, and still more distant Herat. In this connection I may mention that most travellers and officials have been ignorant of not only the great importance, but even the existence, of this route, and as a consequence the Government of India has not had it brought into notice with sufficient emphasis.

To continue, Rigan is situated at an altitude of about 2,000 feet, and thenceforward the country is ideally easy to Kum or Tehran to the north-west, and not at all difficult to Seistan or Southern Khorassan.

I may mention that heavily-laden waggons accompanied the telegraph party throughout.

The existence of this valley will explain why it is preferable to make a road north-east from Bunder Abbas, as, once the valley is reached, there is an end to all physical difficulties. In fact, this is the crux of the matter, as if the line be built farther west it must cross range after range at right angles and at high altitudes, which would add to the cost to an enormous extent.

To approach the question from its commercial side, Bunder Abbas even now taps a much larger district than Bushire, and, owing to the easier country lying at its back, the cost of freight is cheaper—camels monopolizing the routes; whereas, from Bushire, even the Firoozabad route is, I understand, difficult for camels, and this is

borne out by the fact that almost all goods are carried up the frightful "kotals" on mule back.

The superiority of Bunder Abbas from the transport point of view was strikingly demonstrated when the Central Persian telegraph line was constructed, as no other port could cope with a large mass of material. In fact, the whole transport on the Bushire-Shiraz route was dislocated, whereas Bunder Abbas, by tapping a larger area, met every demand. All this tends to show that it is the natural port for Southern Persia.

I am aware that, if my proposals be accepted, Bushire will decline in importance, and that Bunder Abbas will take its place. I am also aware that, although Bushire is a most undesirable place of residence, Bunder Abbas is worse under present conditions.

Owing, however, to the proximity of Kuh-i-Giano, Bunder Abbas might, if developed on proper lines, become something better than Bushire, and, after all, it will be a different place when buildings are erected and various amenities introduced.

Old Hormuz, near Minab, modern Hormuz, and then Bunder Abbas, from the earliest days of intercourse with Persia by sea, were the ports *par excellence*, and the latter was abandoned only from lack of security. Bushire, on the other hand, came into favour when the Zend dynasty held their Court at Shiraz. It has no natural advantages, the anchorage being open and unprotected, not to mention its distance from the land, whereas Bunder Abbas is comparatively safe. The historical "kotals" between Bushire and Shiraz are so well known that I need not refer to them.

Upon the whole, South-West Persia is distinctly richer than South-East Persia, but the country is much more rugged, and the inhabitants more warlike and less easy to handle, so that, in my opinion, the balance of advantages lies with Bunder Abbas. If a second service be desired, the Dizful-Khorremanad line might be opened up by paying subsidies to the truculent Direkwends and Segwends, but in no case will Bushire, which can plead only its buildings and established trade, be a desirable point of departure for the interior. During the continuance of the old order, British goods could, perhaps, as hitherto be painfully and expensively carried up the "kotals," but if our commercial policy is to be treated in a scientific and up-to-date fashion, Bushire must fall into insignificance. British influence, moreover, must be strongest at a point where the Persian Gulf is commanded, and whence, as the rifle trade proved beyond doubt, feelers can reach the Indian frontier to the benefit of trade and the immense improvement of our strategical position.

Summary.

To reply to the telegram above quoted, I hold that Great Britain should obtain a Concession for a motor service from Seistan on the east to Nef, and thence for all Persia south of the Lut as far north as Nain and Ispahan, as Yezd-Ispahan traffic must run via Nain. I do not know the country west of Ispahan.

In the above I have mentioned Seistan alone, but if the Kain could be included our position in the markets of Khorassan could be maintained, and our vital interests in Seistan be protected.

I have always held that Eastern Persia is of infinitely greater importance to India, as constituting part of the glacis of that country, than Western Persia, and if this view be accepted we ought to possess the right to run up to Kain, and, if necessary, make concessions to our rivals in the west. Unless British interests be established here Russia is sure to come down from the north and shoulder us out of what is at present looked upon as our sphere.

I hold that, if we are to work from one port only, that port should be Bunder Abbas, and that by working inland from this port we should be both frustrating Russia's design on Bunder Abbas, or, more probably, on Charbar, and following the best line available.

I imagine that a road on which rails could subsequently be laid would be constructed. The cost of this I cannot give, but I can say with confidence that it is the cheapest line into the interior of Persia. I have no experience of road or railway construction on which to base any estimate, but there would be a fair water supply throughout to Rigan. The range of the motor service from Rigan and Bam would be limited only by the Concession, there being no physical difficulties to surmount.

I do not consider that there is room in Persia for more than a gradual expansion of trade. Considering that the exports are so small, the drain on the vitality of the country must be enormous, and this is augmented by the various financial reforms which merely place larger sums in the hands of the Royal squanderer who lives in Northern Persia and leaves less to be expended in the south.

I think that these undertakings should be looked on as disagreeable necessities, which the activity of our northern rival imposes upon us, and I hold that such undertakings are of the same class as the strategical railways in India. At the same time the diversion of traffic to this route would ultimately be considerable.

Finally, the keystone of Russian activity is finance, and we, the bankers of the world, must use to the full this immense power which we possess, and which Russia, with her present finances strained to the utmost, can scarcely match. To put this matter briefly, we can lend money at a profit which Russia cannot possibly hope to vie with, and, in my opinion, as soon as this latent financial strength is developed, we may confidently expect to see a stop put to Russia's march to the warm seas.

I have, &c.
(Signed) P. MOLESWORTH SYKES.

No. 112.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 199.)

My Lord,

Mesher, September 9, 1905.

I HAD had thoughts, if the time at my disposal in Khorassan allowed of it, of paying a brief visit of inspection to His Majesty's Consulate at Turbat-i-Haideri, but I have been spared the necessity, as Captain Watson, I.M.S., His Majesty's Acting Consul, and the local Governor and Karguzar happen all to be at present in Meshed.

Captain Winter, who was appointed to the new Consulate when it was first established, nearly two years ago, has recently been transferred to Baluchistan by the Government of India, owing to certain differences with Colonel Minchin, into which his Excellency the Viceroy has desired me to hold an inquiry here and on which I am now sending him a report.

Whatever the intrinsic merits of this dispute, I am glad to be able to inform your Lordship that Captain Winter's appointment has been justified by results. There has been a complete cessation of the vexations to which Indian traders and pilgrims were formerly subjected at the hands of the quarantine cordon, and the Consulate, with its Indian escort, its dispensary, and the influence which it has created and diffused, has proved distinctly beneficial to British interests on the Perso-Afghan frontier. The relations between Captains Winter and Watson and the Governor, Karguzar, and other Notables of Turbat-i-Haideri have been from the beginning very amicable; the Persian officials have welcomed their presence as a check on the power of Captain Jass, who before their arrival was almost a *de facto* local Governor, and whose dealings with them were often harsh and dictatorial. Captain Jass himself recognizes, from what I can learn, its effect on his position, admits Captain Winter's success, and does not conceal his satisfaction at his removal. Captain Watson, Captain Winter's temporary successor, is quite satisfied with the behaviour of the Governor, Moaziz-ul-Mulk, and the Karguzar, Motamin-ul-Mamalek. There has only once been some slight friction with the former over an incident between some Indian sowars and natives, as to which the Moaziz-ul-Mulk at first adopted a somewhat quarrelsome tone, but soon dropped it on seeing that we would not tolerate it. When his Excellency called on me a few days ago I adverted in friendly terms to this incident, intimating that I had heard, with regret, of his demeanour in connection with it, and was confident that in the future he would support and co-operate with the Consulate. This he promised to do, and I am hopeful that the hint given by me will bear fruit. The Karguzar, so Captain Watson tells me, has been uniformly friendly and helpful, and I have expressed to him my appreciation of his attitude. He informed me, in the course of his visit to me, that the merchants of Turbat-i-Haideri viewed with much dissatisfaction the proposal of the Russian Bank to establish a caravanserai at Kerez, on the actual frontier of Afghanistan, for the purpose of fostering Russo-Afghan trade relations by the direct exchange for Afghan wool of Russian prints and other goods, as this would destroy the importance of Turbat as a

market and indirectly affect that of Meshed, and that he had been in correspondence on the subject with the Mushir-ed-Dowleh. It is a question whether, if this scheme succeeds, and Kerez becomes the most important mart along the Perso-Afghan frontier, as well as the head-quarters of Captain Jass, it will not be advisable to shift the Consulate there from Turbat-i-Haideri and to leave a native agent and a few sowars at the former place to watch and report on the operations of the local quarantine officials. The two places being 100 miles apart cannot well be worked one from the other.

It has occurred to me, and I take the opportunity of mentioning the point here, that either the Consul at Turbat-i-Haideri or his assistant might utilize the leisure time at their disposal in order to proceed on a yearly tour to Astrabad, which can be reached from Meshed, via Shahrood, in about a week, returning via Gumbad-i-Kaboos and Bujnurd. Under the present system Astrabad is in the Resht Consular district, and so long as our Consul at Resht is the manager of the Imperial Bank of Persia he can never leave the town, much less visit such remote parts of his district as Astrabad and Gumbad-i-Kaboos. This system, which I understand from your Lordship is to be maintained for the present on grounds of economy, is a somewhat unsatisfactory one from the point of view of our political interests, and I would therefore venture to suggest that, until it can be terminated by the appointment of a regular Consul for Resht and Astrabad, His Majesty's Consul-General at Meshed should be instructed to depute either one of the officers of his own staff or of the Consulate at Turbat-i-Haideri to pay an annual visit of inspection to Astrabad, in order to report to His Majesty's Legation on affairs in that province, for information respecting which we now depend on the news letters of a native agent.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

No. 113.

Sir A. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 200. Confidential.)

My Lord,

Mesher, September 9, 1905.

I HAD the honour, before leaving Gulahek, to inform your Lordship of the dispatch on a special mission to Khorassan of M. Somow, First Secretary of the Russian Legation at Tehran.

The objects of this mission would appear, so far as I can gather them, to be the following:—

1. The inspection of the Russian Consulate-General at Meshed, which is reported to be in an unsatisfactory condition owing to its having been for some time past in the hands of temporary occupants and of the other Russian agencies in Khorassan;

2. A final settlement of the Meshed-Seistan telegraph line question in the sense of securing its effective control by the Russian telegraph officials; and

3. The adjustment, by bringing pressure to bear locally, of the numerous unsettled claims of Russian subjects, and especially those arising out of the riots of last spring.

M. Somow, who arrived here via Askhabad on the 21th ultimo, has now left on his tour of inspection for Bujnurd. He will afterwards proceed to Kelat-i-Nadiri, which Major Sykes and I have also received permission to visit, and later on, I am informed, to Turbat-i-Haideri.

With regard to the telegraph question, he received a few days ago a telegram from St. Petersburg, through the Russian Legation at Tehran, instructing him to insist strongly, not merely on the maintenance of the rights secured on the Meshed-Seistan line to the Russian telegraph staff, but to do his best to obtain an extension of their control over the line. This he will probably try to do through the present pliant Persian Director, whose predecessor was dismissed by the Persian Government in May last for alleged opposition to the Russian telegraphists, the Russian Legation having given the Shah to understand that unless this was done, and unless their telegraphists were allowed free access to the offices on the Meshed-Seistan line, His Majesty would not receive the flattering reception promised to him in Russia, to which the vanity of the Persian Court attached, as the Russians were well aware, extreme importance.

Your Lordship may remember, however, that though the Shah, for the sake of this reception, was prepared to surrender the control of the Seistan line, he hoped only to do so temporarily, and I should not be surprised if the instructions received by M. Somow were the result of representations made at Peterhof by the Ain-ed-Dowleh as to the inconvenience of Russian interference with the management of the line, on the ground that it made it difficult for the Persian Government to object to similar interference on our part.

I accordingly addressed to Mr. Grant Duff the telegram, and received from him the reply, of which I have the honour to transmit herewith paraphrases to your Lordship.

I should mention in this connection that I have had, before I left Gulahek, to speak strongly to the Minister of Telegraphs respecting the manner in which the Russian Legation has been interfering in the internal administration of the Persian telegraphs in Khorassan and intimidating and demanding the supersession of officials for resistance, in obedience to his Excellency's own orders, to the dictation of Russian Consuls or telegraphists. I need not trouble your Lordship with details as to these cases; I will merely observe that I could not pass them by without protest or notice, and that I believe my action will have had a good effect. I would add, with reference to my last despatch on this subject, that the Mukhber-ed-Dowleh informed me that the Russian telegraphist Kenyaz, or Kniaz, no longer received pay from the Persian Government, his contract with it having now expired.

As to the Russian claims on account of the riots, I am informed, on the authority of the Governor-General, that both his Excellency himself and the Karguzar of Khorassan took their stand on the facts that the riots here were the direct result of far graver disturbances in Russia itself; that the main share in them was borne by Russian Tartars and Armenians, and that in the looted house of one of the latter there was discovered a quantity of rifles which had been imported from Russia contrary to law. M. Somow, according to the Persian authorities, admitted that their position was a strong one, and was prepared to waive his demand for the whole sum originally claimed and to content himself with the payment of a sum of 10,000*l.* as an evidence of good relations existing between the two friendly Powers. The Asef-ed-Dowleh and Nazim-ul-Mulk declared themselves, however, unable to pay anything without authority from Tehran, and suggested that the question had better be re-discussed between the Russian Minister and the Mushir-ed-Dowleh. They state—and they have sent a telegram to this effect to Tehran—that if compensation is paid out of Persian funds on account of riots for which Russian subjects are really responsible, the discontent of the Meshed clergy and Mahomedan population may occasion fresh disorders of a more serious nature than the last.

M. Somow having, on receipt of this reply, left for Bujnurd, M. Reschetoff, the Acting Russian Consul-General at Meshed, has warned the Asef-ed-Dowleh that he will be held personally responsible for any further fanatical attacks on Russian Armenians. His Excellency has replied that the latter are at present in no danger from attack by Persians, but only from Russian Mahomedans, and that the Russian Consulate-General should either control its own subjects or allow the local Persian authorities to do so for it. The recurrence, within the last few days, of sanguinary riots at Baku has coincided in a most inopportune manner with the efforts made by M. Somow to bring home to the Governor-General of Khorassan the gravity of the one comparatively slight disturbance of the peace which has occurred between similar elements in Meshed.

I have, &c.
(Signed) ARTHUR H. HARDINGE.

Inclosure 1 in No. 113.

Sir A. Hardinge to Mr. Grant Duff.

(Telegraphic.) P.

Meshed, September 5, 1905.

I SHOULD mention to you confidentially that M. Somow received a telegram yesterday from the Russian Minister at Tehran informing him that the Russian Government consider it important that their present control over the Seistan line should be retained, and even extended. When next you see the Persian Foreign Minister you

should recall to his memory that he told me that the Shah, on his return journey to Tehran, would make a request to the Russians that they should withdraw all their telegraphists on this line. You should add that I hope he has not allowed this matter to be dropped, as, in my opinion, it is a most important one.

Inclosure 2 in No. 113.

Mr. Grant Duff to Sir A. Hardinge.

(Telegraphic.) P.

Tehran, September 6, 1905.

IN answer to your telegram of yesterday, I gave your message this morning to the Mushir-ed-Dowleh. His Excellency informs me that he has telegraphed to the Grand Vizier to remind him of this matter, but has as yet received no reply.

No. 114.

Sir C. Hardinge to the Marquess of Lansdowne.—(Received September 26.)

(No. 562.)

My Lord,

St. Petersburg, September 23, 1905.

I HAVE the honour to inform your Lordship that the following information is published in the "Slovo" of to-day, the 9th (22nd) September, 1905:—

"The Persian Government, as we have heard, is at the present time in consultation with the Russian Government on the subject of improving the ways of communication connecting the northern Persian provinces with our Central Asiatic possessions. A party of engineers and mechanics will be dispatched in November for the purpose of making investigations along the Persian frontier."

I have, &c.
(Signed) CHARLES HARDINGE.

No. 115.

The Marquess of Lansdowne to Mr. Grant Duff.

(No. 131.)

Sir,

Foreign Office, September 28, 1905.

I TRANSMIT herewith copy of a letter from the Imperial Bank of Persia,* relative to the working of the Persian Customs in Northern Persia and to the necessity of protecting the silk industry.

You should support the representations of the Chief Manager of the bank with regard to the latter question in whatever manner you may deem most judicious.

I am, &c.
(Signed) LANSDOWNE.

No. 116.

The Marquess of Lansdowne to Mr. E. Grant Duff.

(No. 132.)

Sir,

Foreign Office, September 28, 1905.

I HAVE been in communication with His Majesty's Secretary of State for India with regard to the suggestion of His Majesty's Consul at Shiraz, reported in Sir A. Hardinge's despatch No. 166, Confidential, of the 31st July last, that the Shoa-es-Sultaneh should visit India on a special mission in connection with the approaching visit of His Royal Highness the Prince of Wales.

His Majesty's Government approve the terms of the despatch which Sir A. Hardinge addressed to Mr. Grahame on the subject. You should point out to him that it would have been better that he should not have made such a suggestion, even privately, without authority.

I am, &c.
(Signed) LANSDOWNE.

* No. 94.

No. 117.

The Marquess of Lansdowne to Mr. E. Grant Duff.

(No. 133.)

Sir,

Foreign Office, September 28, 1905.

I COMMUNICATED to the Secretary of State for India a copy of Sir A. Hardinge's despatch No. 175 of the 14th ultimo relative to the Meshed-Seistan telegraph line and the proposed telegraphic connection between Koh-i-Malih Siah and Nasratabad.

His Majesty's Government approve the terms of Sir A. Hardinge's note to the Mushir-ed-Dowleh of the 14th ultimo.

I am, &c.
(Signed) LANSDOWNE.

No. 118.

The Marquess of Lansdowne to Mr. E. Grant Duff.

(No. 134.)

Sir,

Foreign Office, September 28, 1905.

I COMMUNICATED to the Secretary of State for India a copy of Sir A. Hardinge's despatch No. 169 of the 2nd ultimo relative to the security of the Bunder Abbas-Kerman trade route.

His Majesty's Government approve the terms of the note addressed to the Mushir-ed-Dowleh on the subject by Sir A. Hardinge.

I am, &c.
(Signed) LANSDOWNE.

No. 119.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 29.)

(No. 119. Secret.)

(Telegraphic.) P.

Gulahek, September 29, 1905.

TRIAL of Kurds at Urmi.

The Commissioner sent by the Persian Government to investigate the attack on Gough and the murders will shortly proceed to Urmi from Tabreez, where he has already arrived. The American Minister still takes little trouble to support us here, and apparently expects our Consul-General at Tabreez to deal, without his co-operation, with a matter which mainly concerns the Government of the United States. The Minister is considered by the missionaries to have mismanaged the case, and is on terms of open enmity with them.

Would it not be possible, without compromising my relations with the American Minister, to give a hint of this at Washington?

Gough cannot identify his assailants, and the evidence of the attack on him rests on his statement alone, while the witnesses in the murder case are certain to be intimidated. It is most important that the inquiry should not prove a fiasco.

I concur with Mr. Wratishaw's opinion that the truth of the Gough incident will never be got at unless your Lordship is prepared to exercise strong pressure on the Persian Government to compel them to see justice done. The whitewashing of the Kurds will be connived at in every possible way.

The American Minister has not even had the politeness to thank Mr. Wratishaw for the great trouble he has taken with the case, and the latter is most averse to even watching the case on behalf of the missionaries owing to want of support from the American Legation. I have, however, given him instructions to do so, as I see no way out of it.

No. 120.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 188.)

My Lord,

Gulahek, August 25, 1905.

WITH reference to my despatch No. 169 of the 2nd August, transmitting a scheme drawn up by Captain Haworth for the protection of the Kerman-Bunder Abbas road, and a copy of Sir Arthur Hardinge's note on the subject to the Mushir-ed-Dowleh, I have the honour to inform your Lordship that I have now received a reply to the latter from the Persian Government.

The Mushir-ed-Dowleh states that the local authorities had already approached the Central Government on the subject, and that orders had been telegraphed. His Excellency informs me that he has now telegraphed again, asking for a statement of the expenses which the adoption of the necessary measures would entail, and promising that, on the receipt of these particulars, the necessary steps will be taken.

I have, &c.
(Signed) EVELYN GRANT DUFF.

No. 121.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 189.)

My Lord,

Gulahek, August 25, 1905.

BY direction of Sir Arthur Hardinge, I have the honour to transmit to your Lordship herewith a copy of a despatch from His Majesty's Consul at Kermanshah regarding the claims of certain persons resident in that town to be treated as British subjects. These people appear, though on not very reliable authority, to be the descendants of Kashmiri pilgrims who settled in Kermanshah some seventy or eighty years ago on their return from Kerbela or Mecca.

As His Majesty's Legation possesses no documentary evidence of the origin of these persons, I would ask your Lordship to furnish me with instructions as to what attitude I should take up in regard to their claims.

I have, &c.
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 121.

Consul Gough to Sir A. Hardinge.

(No. 32.)

Sir,

Kermanshah, July 4, 1905.

I HAVE the honour to state that certain persons resident in this town have lately petitioned that their claims to be considered British subjects should be taken into consideration. It appears that some seventy or eighty years ago certain Kashmiris passing through this place on their return from Kerbela or Mecca, decided to settle down here instead of continuing their journey to Kashmir. At that time there was, of course, no means of establishing their identity by the taking out of a passport. Now, however, that a British Consulate has been established here, these people, or rather their descendants, have applied to me for passports. They are in possession of papers signed by leading Mullahs and other respectable people here, stating that they are indeed the "sons of so and so Kashmiri," but beyond this they have absolutely nothing to show that they are in any way connected with the British Empire.

I have the honour to request that instructions may be sent to me as to what answer I should give to these persons.

I have, &c.
(Signed) H. GOUGH.

No. 122.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 192.)

My Lord,

Gulabek, September 6, 1905.

I HAVE the honour to transmit to your Lordship herewith a copy of a despatch from His Majesty's Consul-General at Tabreez regarding the activity of the Russian Bank at that place.

I have, &c.

(Signed) EVELYN GRANT DUFF.

Inclosure in No. 122.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 37.)

Sir,

Tabreez, August 22, 1905.

I HAVE the honour to report that the Tabreez branch of the Russian Bank has informed its native clients that it is unable at present to accept orders for cotton goods. The reason given is that certain mills in Russia have ceased working, but probably the considerable loss which has undoubtedly attended the Bank's trading operations has something to do with its decision as well as the uncertainty which seems to prevail regarding the continuance of the export bounties on cotton stuffs. On the other hand, the Russian Bank has extended its operations by establishing an agency at Urmī, which is the richest district of Azerbaijan, and does a considerable export trade with Russia in dried raisins.

A large and imposing set of buildings has just been completed in Tabreez for the accommodation of the Manager and the staff of the Bank.

Dr. Zolotagorof, the Russian specialist who was brought to Tabreez by the Russian Bank last autumn to experiment on the bodies of the inhabitants with an anti-cholera serum, is here again, and is giving medical attendance and medicine gratis to any Persian who chooses to ask for it.

His expenses are paid by the Bank, which apparently regards him in the light of an advertisement.

I have, &c.

(Signed) A. WRATISLAW.

No. 123.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 193.)

My Lord,

Gulabek, September 6, 1905.

I HAVE the honour to transmit herewith a copy of a despatch from His Majesty's Consul-General at Tabreez, reporting that the work on the Russian road from Julfa to Tabreez had been practically suspended, owing chiefly to quarrels between the Chief Engineer of the road and the contractor who has supplied the materials for its construction.

I have, &c.

(Signed) EVELYN GRANT DUFF.

Inclosure in No. 123.

Consul-General Wratislaw to Sir A. Hardinge.

(No. 36.)

Sir,

Tabreez, August 21, 1905.

I HAVE the honour to report that work on the Russian road from Julfa to Tabreez has apparently come to a standstill. The chief contractor, M. Ginsberg, has cancelled his contract with some Italian sub-contractors for the erection of a bridge over the Aji Tchah at Tabreez, about 1½ miles below the existing Persian bridge. It is reported that the Chief Engineer, M. Didiloff, is likely to be dismissed on account of the mistake he made in laying the road in the bed of a torrent which runs through the Dere Diz, a ravine near Julfa, where, as was pointed out to him, there was considerable risk of the first flood washing the whole construction away. This actually happened in the early summer of the year, and damage to the extent of 150,000 roubles was done. No attempt has been made as yet to repair this damage, as M. Didiloff lays the blame on the contractor, whose faulty materials are, he says, responsible. M. Ginsberg justly replies, on the other hand, that it was the duty of the inspecting engineers of the Road Company to decline to pass his materials if faulty, and that M. Didiloff is obviously to blame for having chosen a dangerous track.

The net result up to the present is that the journey to Julfa is more difficult than before, as the old track in the Dere Diz has been obstructed by the new road, and the new road is useless.

I have, &c.

(Signed) A. WRATISLAW.

No. 124.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 194.)

My Lord,

Gulabek, September 8, 1905.

WITH reference to Sir A. Hardinge's despatch No. 175 of the 15th ultimo on the subject of the Russian telegraphists on the Meshed-Seistan telegraph line, I have the honour to transmit to your Lordship herewith a translation of a note from the Mushir-ed-Dowleh denying the truth of the report that these employés receive half their pay from the Persian Government.

I have sent a copy of the Mushir-ed-Dowleh's communication to His Majesty's Consul in Seistan for his observations.

Your Lordship will perceive that in the last sentence of his note the Mushir-ed-Dowleh states that the question of the Nasratabad-Kuh-i-Malik-Siah extension will be submitted to the Shah on His Majesty's return to Persia.

I shall press the matter directly I hear that His Majesty has reached the frontier. Meanwhile, it is useless to attempt to communicate with the Grand Vizier, who evades any difficult question by the simple artifice of refusing to reply to telegrams or letters.

I have, &c.

(Signed) EVELYN GRANT DUFF.

Inclosure in No. 124.

Mushir-ed-Dowleh to Mr. Grant Duff.

(Translation.)

September 5, 1905.

I HAVE received your note of the 14th ultimo and I have the honour to state, for your information, that the reports you have received from the British Consulate as to the privileges granted to the two Russian Inspectors and six mechanists are not correct. The connection of Nasratabad of Seistan with the Indian frontier at Kuh-i-Malik-Siah by telegraph depends on the wish of His Imperial Majesty the Shah, to whom the matter will be submitted on his return to Persia.

I avail, &c.

No. 125.

Mr. E. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 201.)

My Lord,

Gulahek, September 9, 1905.

IN confirmation of my telegram No. 110 of the 7th instant, I have the honour to inclose herewith a translation of a note from the Persian Government, stating that the Shah does not accept the Arbitral Award recently given by Colonel MacMahon on the Seistan water question.

The reason given is that the inhabitants of Seistan complain that they have not received just treatment in the Arbitrator's decision.

I had an interview with the Mushir-ed-Dowleh last Wednesday, and his Excellency then stated that he had drafted a note informing me of the Shah's commands. I pointed out to his Excellency that the decision of the Persian Government would give much dissatisfaction to His Majesty's Government, who had, at the request of Persia, undertaken to decide this question, which has for some time caused serious trouble on the Seistan frontier. Great expense had been incurred and much labour entailed before Colonel MacMahon, who was a most competent officer, could issue his Award. In the circumstances, I thought it unlikely that His Majesty's Government would consent to the Award being put aside because there was some local dissatisfaction as regards the division of the Helmund water.

The Shah and the Grand Vizier are expected to arrive in Persian territory about the middle of the month, and I shall then do what I can to persuade the Persian Government to reconsider their decision.

I have, &c.
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 125.

Mushir-ed-Dowleh to Mr. E. Grant Duff.

(Translation.)

September 6, 1905.

A FEW days ago, in the course of conversation, I informed his Excellency the British Minister, in connection with the division of the Helmund water, that when Colonel MacMahon's Award reached Tehran the Persian Court was leaving for Europe, and that the Award was submitted to His Imperial Majesty the Shah, who would read it at his leisure, and that I would communicate to the British Legation His Majesty's commands on the subject. Last week I received a telegram from his Highness the Grand Vizier at Vichy, which was as follows:—

"With regard to the division of the Seistan water, His Imperial Majesty's commands are to inform the British Legation that the Persian Government does not consider this matter settled, and it appears from the complaints made by the inhabitants of Seistan that the balance has not been kept in this matter."

I therefore have the honour to bring the matter to your notice.

I avail, &c.

No. 126.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 203. Very Confidential.)

My Lord,

Gulahek, September 12, 1905.

WITH reference to my telegram No. 108 of the 6th instant, I have the honour to transmit herewith a copy of a letter addressed by M. Naus to the Grand Vizier relative to the present state of the Finances of Persia and to the urgent necessity of contracting a new loan.

M. Naus, who particularly desires that it should not come to the ears of the Persian Government that he has given me a copy of this document, informed me verbally that the Persian Exchequer was in as bad a state as possible, and that unless

his proposals could be realized, he saw no prospect for Persia but some form of foreign control of the finances.

His Excellency scoffed at the idea of any reform of the "Maliaht," or army, unless carried out by Europeans. I inquired what he should do if the agitation of last spring against him were renewed. He replied that he would tender his resignation to the Shah and return to Belgium, where a good post in the Ministry of Finances was being kept open for him.

M. Naus assured me that, as far as he knew, no negotiations for a loan from Russia were in progress; and the Mushir-ed-Dowleh, on the 6th instant, gave me a similar assurance.

I have, &c.
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 126.

M. Naus to the Grand Vizier.

A son Altesse Impériale le Sadrazam, *Ministère des Postes et des Douanes.*

VOTRE Altesse m'a adressé un télégramme par lequel elle me demande de lui exposer pour quel motif la Caisse Impériale a maintenant besoin d'un nouveau subside d'un kourour de toman* (86,207l.).

Votre Altesse dit aussi, dans son télégramme, que, moi, j'avais affirmé avant le départ de Sa Majesté qu'avec le subside d'un kourour qui a déjà été versé par la Banque d'Escompte, la Caisse pourrait pourvoir à toutes les dépenses du Gouvernement jusqu'au retour de Sa Majesté. Je dois déclarer que votre Altesse se trompe absolument en croyant que, moi, j'aurai dit une pareille chose. J'ai, au contraire, fortement insisté auprès de votre Altesse pour qu'elle demande à la Banque Russe une avance de 2 kourours, en lui disant que si l'avance était seulement d'un kourour nous nous trouverions devant un manque complet d'argent au moment du retour de Sa Majesté, ce qui créerait évidemment de graves difficultés au Gouvernement. Votre Altesse m'a alors remis un "daste khate" (Royal autographe) de Sa Majesté autorisant l'emprunt, au compte courant, de 2 kourours à la Banque Russe, indépendamment de l'avance de 150,000l. que j'étais chargé de demander à l'Imperial Bank à valoir sur ses redevances annuelles.

Peu de jours après le Nowrouz j'ai eu l'honneur de remettre à votre Altesse un rapport provisoire sur les recettes et les dépenses de l'année Loui-il (1904-1905), et de ce rapport il résultait clairement que les dépenses auraient été supérieures aux recettes d'environ 3 kourours (258,621l.).

J'ai déjà informé votre Altesse que lorsque la Banque Russe a fait l'avance d'un kourour, elle a subordonné l'avance à la condition que la Douane rembourserait 30,000 toman (5,172l.) par mois sur le compte courant et encore 5,000 toman (862l.) par mois sur l'avance de 150,000 toman (25,862l.) qu'elle avait faite en 1903 pour l'armée. Cela fait 35,000 toman (6,032l.) par mois, c'est-à-dire, 420,000 toman (72,414l.) pour une année. Il en résulte que le kourour qui nous a été avancé ne représente qu'une avance utile de 80,000 toman (13,792l.) pour les dépenses ordinaires d'une année, de sorte qu'évidemment le Gouvernement devra emprunter encore au moins 3 kourours (258,621l.) pour pouvoir balancer les recettes et les dépenses d'Ilan-il (1905-1906). J'ai d'ailleurs écrit cela à votre Altesse, de sorte que je ne comprends pas comment votre Altesse pourrait l'ignorer, puisque votre Altesse elle-même de Contrexéville m'a répondu de sa propre main que je devais réclamer le dernier kourour à la Banque Russe, et aussi tâcher d'obtenir les 150,000l. de la Banque Anglaise.

Je dois dire, au surplus, que, moi, je n'ai aucune certitude quant aux chiffres des dépenses inscrites au Budget, attendu que je n'ai pas reçu communication du Budget dressé par votre Altesse, pas davantage que du Kétab des Rékab,† que (j'ignore pour quel motif) on n'a jamais voulu me montrer. Aujourd'hui encore, cinq mois après la fin de Loui-il (1904-1905), je reçois tous les jours de nouveau "kabs" (receipts) à valoir sur le Kétab des Rékab. J'ignore quand ce Kétab sera épuisé.

D'où provient le déficit pour l'année Loui-il c'est facile à comprendre. D'une

* Exchange, 1l. = 58 toman.

† This appears to be the receipts for the Tehran district, not counting the "Maliaht."

part, les prévisions des recettes ont été exagérées, et d'autre part de nombreuses dépenses imprévues sont venues s'ajouter à celles qui étaient prévues.

Pour établir un budget qui ne laisse pas de mécompte à la fin de l'année on doit évaluer les recettes avec une grande modération. Dans les pays d'Europe les Gouvernements ont l'habitude de prendre comme prévisions de recettes la moyenne des revenus des cinq années précédentes, à la condition que ces revenus aient été en progression constante durant les cinq années, et si, au contraire, il n'y a pas eu progression constante on prend le chiffre de la plus faible des cinq années. Si cette règle avait été suivie pour ce qui concerne les recettes des douanes, la prévision à inscrire au Budget aurait été tout au plus de 4 kourours et demi (387,931/), au lieu de 6 kourours (517,242/), et de la sorte il y aurait eu un gros excédent, au lieu d'une insuffisance.

De même pour les dépenses, on doit réserver une somme assez forte pour l'imprévu. Mon expérience me permet de dire qu'en Perse, même quand le Budget est établi avec la plus grande prévoyance possible, encore la réserve pour les dépenses imprévues ne devrait-elle pas être inférieure à 500,000 tomans (86,207/).

J'espère que pour le retour de Sa Majesté à Téhéran je pourrai présenter le compte définitif des recettes et des dépenses de Louï-il (1904-1905). En attendant je puis déjà indiquer quelques-unes des causes du déficit du Budget.

Les recettes des douanes ont été établies en prévision à 6 kourours, celles de l'Hôtel des Monnaies à 240,000 tomans (41,376/), et celle des postes à 50,000 tomans (8,620/).

Par suite de l'état de guerre dans lequel se trouve la Russie et des troubles qui éclatent partout dans ce pays, notre commerce a beaucoup souffert, et naturellement les recettes des douanes ont été affectées. La maladie[†] qui a ravagé le pays a été également une cause d'affaiblissement des recettes des douanes, de même que des postes et des passeports.

La faiblesse de notre commerce se révèle encore par un autre signe : c'est la diminution en valeur du kran, qui provient uniquement de ce que nous n'avons pas trouvé en Louï-il (1904-1905) suffisamment d'acheteurs pour nos produits d'exportations, tels que les cotons, les fruits secs, les cocons de soie, les laines et les peaux. Cette diminution de la valeur du kran a également entraîné la cessation de la frappe à l'Hôtel des Monnaies.

Les Douanes et les Postes réunies ont produit environ 2,750,000 tomans (474,137/) et la Monnaie seulement environ 53,000 tomans (9,655/). Le mécompte pour ces trois sources de recettes a été par conséquent d'environ 435,000 tomans (75,000/).

Les recettes des passeports ont également subi une baisse, et enfin les revenus du "Maliht" ont également donné une moins-value provenant de diverses causes dont je ne pourrai rendre compte que dans le rapport définitif sur l'exercice financier. Le mécompte total sur les Douanes, les Postes, la Monnaie, les passeports, le Khalassé et le "Maliht" des Gouverneurs ne sera pas bien loin d'atteindre 2 kourours (172,411/).

Parmi les dépenses qui n'ont certainement pas été inscrites au Budget, je puis citer : les 150,000 tomans (25,862/) accordés à son Altesse Salar-ed-Dovleh ; les 140,000 tomans (24,138/) payés à l'Imperial Bank pour l'amortissement de l'emprunt de 300,000/ ; environ 150,000 tomans, d'intérêts payés à l'Imperial Bank pour le compte courant ; 40,000 tomans (6,900/) payés pour l'indemnité aux missionnaires Américains ; 10,000 tomans (1,724/) payés à Kolischer ; 40,000 tomans (6,896/) dépensés pour les chaises d'or ; le supplément payé aux Cosaques ; de nombreux annams (" presents of money ") accordés à diverses personnes ; et les dépenses pour la réparation des bâtiments du Gouvernement à Téhéran et dans les provinces : tout cela ensemble ne sera pas loin de 2 kourours (172,411/).

Afin de faciliter à votre Altesse l'examen de la situation financière du pays, je crois utile de rappeler ci-après les diverses emprunts contractés par le Gouvernement, et les charges qui doivent être inscrites de ce chef dans le Budget :—

1. Les deux emprunts conclus avec la Banque Russe en 1900 et en 1902 s'élèvent ensemble à 65 kourours de manattes (32,500,000 roubles), pour lesquels le Gouvernement doit payer annuellement une somme qui varie suivant le cours du kran, mais qui peut être évaluée à 2 kourours de tomans.

2. L'emprunt de 300,000/ conclu en 1903 et en 1904 avec l'Imperial Bank, lequel est garanti par les revenus des pêcheries de Moordab, et subsidiairement par les

* Cholera of 1904.

† Revenue from Crown lands.

revenus des postes et des télégraphes, ainsi que par les revenus des douanes du sud, exigera encore pendant dix-huit années un paiement annuel de 23,270/ 7s.

Pour l'année Ilan-il (1905-1906) en cours, comme le revenu des pêcheries a été escompté par le Gouvernement il y a six ans, nous devons payer de ce chef à l'Imperial Bank, comme nous avons dû le faire en Louï-il, environ 140,000 tomans (24,138/).

3. Les avances faites successivement en compte courant par la Banque Russe s'élèvent actuellement à 3 kourours et 200,000 tomans (293,100/), indépendamment d'une autre avance de 150,000 tomans (25,862/) faite le 14 (27) Mai, 1903, et qui s'élevait avec les intérêts, le 2 Mai, 1905, à la somme de 188,299 tomans (32,465/).

En tout nous devons à la Banque Russe 3 kourours 388,299 tomans (325,568/), portant intérêts, partie à 9 pour cent et partie à 12 pour cent, le tout remboursable en quatre années par paiements d'au moins 35,000 tomans (6,032/) par mois.

Pour Ilan-il (1905-1906), comme l'accord date du 2 Mai, nous devons payer dix mensualités, soit 350,000 tomans (60,320/), et pour les trois années suivantes la charge sera d'au moins 1 kourour chaque année.

De plus, nous devons encore régler avec la Banque Russe la somme de 150,000 tomans (25,862/) accordée par Sa Majesté à son Altesse le Prince Salar-ed-Dovleh. M. Grube m'a promis qu'il obtiendra à Saint-Petersbourg que cette somme soit inscrite dans le compte courant, mais l'autorisation officielle n'a pas encore été donnée.* Si, comme je l'espère, cette affaire est arrangée, cette somme de 150,000 tomans devra être ajoutée au capital remboursable en quatre années, et cela fera encore une charge de 55,500 tomans (9,569/) pour la première année, de 51,000 tomans (8,793/) pour la deuxième année, de 46,500 tomans (8,017/) pour la troisième année, et de 42,000 tomans (7,241/) pour la quatrième année.

4. Le compte courant du Gouvernement à l'Imperial Bank est également passible d'intérêts à 12 pour cent l'an.

Avec les paiements que l'Imperial Bank a faits en compte courant l'année dernière et au commencement de cette année, la dette du Gouvernement dépasse 3 kourours. Aussi M. Rabino vient-il de m'écrire que la Banque ne fera plus du tout d'avance, et il m'a réclamé le remboursement de tout ce qui dépasse 1,200,000 tomans (206,896/), après quoi la Banque prétend recevoir 30,000 tomans (5,172/) par mois pour amortir le capital et les intérêts restant dus. J'ai obtenu de M. Rabino que les négociations de cette affaire soient différées jusqu'après le retour de Sa Majesté, mais en attendant l'Imperial Bank exige le paiement des intérêts à 12 pour cent sur le compte courant, ce qui atteindra près de 200,000 tomans (34,482/) pour l'année en cours.

Pour me résumer, je dirai que le Budget de l'année en cours doit être chargé d'intérêts et de paiements pour amortissement comme suit :—

A la Banque Russe :

1. Pour les deux emprunts, 1,000,000 tomans (172,411/);
2. Pour l'amortissement du compte courant, y compris l'avance pour le Prince Salar-ed-Dovleh, 405,500 tomans (69,913/).

A l'Imperial Bank :

1. Pour l'emprunt dit du Chili, 140,000 tomans (24,138/);
2. Pour le remboursement du compte courant, cela dépendra de l'arrangement qui sera obtenu après le retour de Sa Majesté ; mais je pense que la Banque insistera pour obtenir 10,000 tomans (6,900/) par mois, ce qui ferait pour l'année 480,000 tomans (82,758/).

Ces diverses sommes réunies forment un total de plus de 4 kourours (344,828/), qui doit être inscrit au Budget de Ilan-il (1905-1906).

La conclusion qui s'impose c'est que le Gouvernement doit conclure un nouvel emprunt à 5 pour cent :

1. Afin de rembourser toutes les dettes sur lesquelles nous payons actuellement 9 pour cent ou 12 pour cent ;
2. Afin d'obtenir à 5 pour cent l'argent nécessaire pour rembourser les avances faites par les banquiers Persans pour le voyage de Sa Majesté ;
3. Pour équilibrer le Budget d'Ilan-il ; et

* It arrived September 5, 1905.

4. Afin de disposer d'une réserve suffisante pour équilibrer encore le Budget de l'année prochaine, en attendant que les réformes qui seront certainement faites par Sa Majesté et par votre Altesse puissent procurer des recettes normales équivalentes aux dépenses.

Pour ma part je pense que l'emprunt devrait être de 20,000,000 roubles ou de 2,000,000L., ce qui, suivant le change qui sera obtenu, procurerait environ 19 kourours de tomans (9,500,000 tomans).

Après le remboursement complet des comptes courants à la Banque Russe et à l'Imperial Bank, et des avances faites en dernier lieu par les banquiers Persans, il resterait entre les mains du Gouvernement environ 10 kourours (862,070L.), ce qui constituerait la réserve nécessaire, à mon avis, pour pouvoir entamer la réforme de l'armée et du "Maliaht," afin de parvenir avant deux années à un équilibre parfait entre les recettes et les dépenses Gouvernementales.

L'emprunt dont je viens de parler peut encore être couvert par l'Administration des Douanes.

Actuellement les deux emprunts garantis par la Douane s'élèvent ensemble à 32,500,000 roubles, pour les intérêts et l'amortissement desquels nous payons annuellement 1,000,000 tomans (172,414L.).

En ajoutant 20,000,000 à ces 32,500,000 roubles, la dette inscrite serait de 52,500,000 roubles, pour les intérêts et l'amortissements desquels l'Administration des Douanes devrait payer annuellement environ 3 kourours et 100,000 tomans (275,862L.).

Depuis que l'administration des Douanes m'a été confiée les recettes nettes ont été comme suit :

	Tomans.	Équivalent en Livres Sterling.
Auparavant moins de 2 kourours, soit	1,000,000	172,414
En Tangouz-il (1899-1900)	1,513,648	260,973
„ Zitchkan-il (1900-1901)	1,700,644	293,214
„ Oud-il (1901-1902)	2,008,568	346,304
„ Bars-il (1902-1903)	2,076,675	358,047
„ Tavichkan-il (1903-1904), première année du nouveau tarif	3,037,894	523,774
„ Loui-il (1904-1905), année de la guerre Russe et du choléra,	2,700,000	465,517

On peut croire que les recettes des douanes ne seront plus jamais inférieures à 5 kourours et 100,000 tomans (448,276L.), de sorte qu'après avoir payé les coupons de la dette inscrite, la Douane pourrait encore toujours mettre à la disposition du Gouvernement au moins 2 kourours de tomans (172,414L.), et cela deviendra beaucoup plus si, le commerce prospérant, les recettes des douanes atteignent le chiffre de Tavichkan (1903-1904). On doit prévoir aussi que lorsque des chemins de fer auront été créés en Perse le commerce et l'industrie se développeront très considérablement, ce qui procurera évidemment une augmentation tout aussi considérable des recettes des douanes.

Je dois faire remarquer à ce sujet que la charge de 3 kourours et 100,000 tomans (275,000L.) qui existera après la conclusion d'un nouvel emprunt de 20,000,000 roubles ou de 2,000,000L. à 5 pour cent sera même moins lourde que ce que nous payons actuellement, à cause des intérêts de 12 pour cent exigés par les banques pour les avances en compte courant.

Je crois donc en toute conscience devoir recommander à Sa Majesté de réaliser cet emprunt maintenant, mais à la condition que l'argent soit employé exclusivement à payer les dettes et à assurer l'équilibre du Budget pendant la période strictement indispensable pour réaliser la réforme de l'armée et du "Maliaht."

J'ai, &c.
(Signé) J. NAUS.

No. 127.

Mr. Grant Duff to the Marquess of Lansdowne.—(Received September 30.)

(No. 207.)

My Lord,

Gulahek, September 12, 1905.

I HAVE the honour to transmit herewith the monthly summary of events in Persia which have not been recorded in separate despatches.

I have, &c.
(Signed) EVELYN GRANT DUFF.

Inclosure in No. 127.

Monthly Summary.

Meshed.

THE Russian Consul-General at Meshed, acting on instructions from his Minister in Tehran, has ordered all Russian Armenians to leave the city.

2. M. Grube, head of the Russian Bank in Tehran, who has been following the Persian Court about in Europe, is expected to return to Tehran via Meshed.

3. M. Somoff (First Secretary of the Russian Legation in Tehran), accompanied by M. Petroff (Third Secretary), has arrived at Meshed, where he is endeavouring to settle the Russian claims in connection with the recent riots. (See Sir A. Hardinge's despatch No. 165, Confidential, of the 29th July.)

4. Sir A. Hardinge left Tehran for Meshed on the 23rd August.

5. The Russians appear to be juggling with the question of the detachment of Cossacks, whose arrival at Meshed was referred to in the last summary, and reported by telegram to the Foreign Office. At first a part of the detachment was stated to be a relief for Kerman, then it was reported that fifteen of their number had left Meshed, but that twenty more were expected; now M. Naus has informed Mr. Grant Duff that the arms and ammunition which they passed by force through the Customs barrier have been re-exported.

Arabistan.

1. The Governor of Arabistan (the Salar Muazzim) is opening a school at Shuster for teaching English, Arabic, and Persian. Further friction has been caused between the Sheikh of Mohammerah and the Bakhtiari Khans by Arab refugees fleeing to Bakhtiari territory, and Bakhtiari offenders taking sanctuary with the Arabs.

2. The captain of the "Shushan" is engaged in a dispute with his employers with regard to his salary, and refuses to make any more trips until his demands are satisfied. His Majesty's Consul at Ahwaz points out that Messrs. Lynch, if they wish to keep up the "Shushan" as a going concern, should treat their captain liberally.

3. A postal service is being organized from Ahwaz to Ispahan by Messrs. Lynch's road. It is believed that this is a preliminary towards opening a postal route from Ahwaz to Khurremabad via Ispahan, to replace the former direct route through Luristan, abandoned on account of the disturbed state of that district.

4. Raids and inter-tribal feuds are still of constant occurrence all over this part of Persia, and caravan robberies are frequent.

5. The Governor-General of Arabistan and the Sheikh of Mohammerah are preparing a joint expedition against the Beni Taruf Arabs with a view to the recovery of four years' arrears of revenue. The Sheikh has also lately been engaged in operations against the revolted Nessar tribesmen, who have fled in large numbers to Turkish territory and written to His Majesty's Consul at Bussorah asking to be taken under British protection.

Tabreez.

1. The "Bala" Mujtehed of Urmi died recently. His death leaves Mirza Hussein Agha, the Mujtehed who has given us so much trouble over the Urmi murders, without an ecclesiastical rival, the other local clergy having little influence.

2. The Nizam-es-Sultaneh (Governor-General) is trying to organize a Persian Company to develop the navigation of the Urmi Lake. His Majesty's Consul-General has recommended the purchase of motor-boats for towing the cargo-barges, and has sent to England for catalogues. This is with a view to preventing the use of launches burning coal or petroleum fuel, which would imply the engagement of Russian engineers.

Kerman.

1. The religious troubles between Sheikhs and Orthodox Shiah, which were reported in the last summary as being at an end, broke out with renewed violence in the middle of August, and there was serious fighting in the streets.

2. The Rukn-ed-Dowleh has now been removed from his post of Governor-General and will be succeeded by the Zafr-es-Sultaneh (see under Tehran). The latter has been instructed, as a result of representations by Mr. Grant Duff, to settle outstanding claims on the Perso-Beluch frontier, the Saad-ed-Dowleh, the Governor at present in charge, having inaugurated his régime by repudiating the Agreements made by his predecessor at the Beluchistan frontier meeting at Chahbar.

Ispahan.

1. M. Bathurn, agent of the Russian Bank, has been in Ispahan for nearly three months, making investigations with a view to opening a branch of the bank there. He talks vaguely of opening a branch office in a few months if his investigations prove satisfactory.

2. Owing to raids by the Kuhgelu tribe on the Bakhtiari road, the Khans wrote to the Acting British Consul-General at Ispahan, saying that they were powerless to protect the road unless prompt punishment was meted out to the offenders, and must end their contract. In consequence of Sir A. Hardinge's representations to the Persian Government, the Shoa-es-Sultaneh (Governor-General of Fars) was informed that unless he took prompt steps to punish the raiders the Bakhtiari would be authorized to do so themselves.

Shiraz.

1. The new Karguzar of Fars, Manshour-el-Sultaneh, has arrived at Shiraz.

2. In connection with the Jewish persecutions, Agha Khan, a Jew claiming to be a French subject, has taken "bast" in the British Consulate. The local authorities refuse to recognize him as a French subject, and, in demanding that he should be handed over to them, have incidentally questioned the right of foreign Consulates to afford "bast." The case of Agha Khan is being made the subject of common action on the part of the French and British Legations.

3. A Secretary and student interpreter of the Russian Consulate at Bushire were robbed of all their baggage on the road near Kazeran. An indemnity of 700 tomans (about 116½) was demanded from and paid by the Kazeran authorities.

4. His Majesty's Consul at Shiraz complains bitterly of the incompetence of the local authorities and the chaotic condition of the province. The Prince Governor-General (the Shoa-es-Sultaneh) is weak and incapable; the Vazir (the Sadr Akram) on whom all serious duties devolve, is ignorant, vain, and rapacious. Outrages and abuses go on unchecked; robberies are committed on all the roads, and the whole province is apparently in a state bordering on anarchy, while no satisfaction can be procured in the simplest cases. Mr. Grant Duff has, however, by threatening to complain personally to the Valiahd of his half-brother's constant obstruction (the two brothers are notoriously on anything but the best of terms) succeeded in getting the more important outstanding British claims in Fars satisfactorily settled.

Seistan.

1. Latest reports (the 26th July) from Seistan show that frontier disputes over the Helmand water question still continue, but the whole question is now complicated by the Shah's refusal to accept Colonel McMahon's Water Award.

2. M. Osweensko, Russian Consul in Seistan, will shortly be moved to Bushire,

and his place taken by M. Nekrassow, late Secretary of the Russian Consul-General at Bombay.

3. M. de Bont, a youth of 19, is to be put in charge of the new Customs post at Kuh-i-Malik Shiah.

4. It is reported that an attempt was made by the Russian Consulate to organize an anti-British riot at Bunjar. Evidence connecting the Russian Legation with the affair does not appear to be conclusive, but in any case the whole plot collapsed.

5. In last summary it was reported that Captain Macpherson, His Majesty's Consul in Seistan, had been very cordially received by the Shaukat-ul-Mulk at Birjand. Captain Macpherson has apparently had cause to change his views as to the Shaukat's attitude towards the British, for, on the occasion of a subsequent visit on the 15th July, he reports that the Shaukat, though outwardly cordial enough, was suspicious and evidently afraid of compromising himself. Captain Macpherson suspects that he has some sort of understanding with the Russians, probably in connection with his financial affairs.

6. From recent inquiries Captain Macpherson is now convinced that the Hashmet-ul-Mulk's following in the Province of Kain is greater than that of the Shaukat.

7. At Shusp Captain Macpherson found that the Persian employé in the telegraph-office had been removed, and that the Russians were left in sole charge. Mr. Grant Duff, on hearing of this, wrote to the Minister of Telegraphs, expostulating against this arrangement.

8. The part of the Meshed-Seistan telegraph line between Shusp and Birjand is reported to be in a very bad condition, owing chiefly to the ravages of white ants and an oriental disregard of all necessary repairs.

Kermanshah.

1. The harvest in this district has been a very bad one, and the usual corners in wheat, engineered by the big landowners, have resulted in much distress and universal discontent, culminating in riots in the town.

2. The Russian Consul has been showing great interest in the oil wells at Kasr-i-Shirin, and making minute inquiries from the Belgian Customs officials about them.

(Signed) G. JARDINE KIDSTON.

MATTERS dealt with in separate Despatches.

Matters dealt with.	No. and Date of Document.
Seistan Water Award	No. 179 of August 17; No. 182, Secret, of August 21; No. 201 of September 9, 1905.
Status of natives of Bahrain ..	No. 180 of August 21, 1905.
Valiahd and British interests ..	No. 181, Confidential, of August 21, 1905.
Persian finance	No. 183, Confidential, of August 22; No. 203 of September 12, 1905.
Kerman-Bunder Abbas road ..	No. 188 of August 25, 1905.
Russians in Azerbaijan	Nos. 192 and 193 of September 6, 1905.

Summary.

Tehran.

There is stated to be a fresh conspiracy on foot against the Grand Vizier. It is proposed to suggest to the Shah to reinstate the Atabeg, or, failing this, to retain the Valiahd in Tehran as Prime Minister after His Majesty's return.

The Russian Government are doing all they can to increase their influence over the Valiahd. His Imperial Highness has been made a Knight of St. Andrew, and is stated to have received most flattering messages from the Emperor of Russia. On Tuesday, the 5th instant, the Colonel of the Cossack Brigade held a review in honour

of the Valiahd. None of the foreign Legations were asked to be present except the Russians. The review is stated by independent witnesses to have been rather a ridiculous spectacle. Colonel Tchernozouboff had neglected to have the ground watered, so that the passing squadrons were invisible from the dust.

The massacres at Baku are causing grave concern to the Persian Government, who are doing what they can to keep the inhabitants in Khorassan and Azerbaijan quiet. As it is considered probable that many Armenians would take refuge at Gulahek in case of trouble (there being an Armenian village half a mile off), His Majesty's Chargé d'Affaires has ordered the stock of rifles and ammunition in possession of the British Legation to be held in readiness in case of emergencies.

The Shah and the Court are expected in Tehran early in October, but it is thought possible that His Majesty's journey may be delayed owing to the state of the Caucasus.

The Shah's sister, Ismet-ud-Dowleh ("the Chastity of the Government"), died on the 3rd instant. She was married to the Moavver-ul-Mamalek. She was about fifty, and so enormously stout that she could not sit down without special wooden props.

Zafir-ul-Sultaneh has been appointed Governor of Kerman in Beluchistan in place of the Rukn-ed-Dowleh. He formerly held the same office, and though a bad Governor is one degree less incompetent than the present incumbent.

Ali Ashraf Khan Etisham-ul-Vezareh has left for Seistan on a special Mission. It is supposed that he is to report on the conduct of Yamin-i-Nizam during the proceedings of the McMahon Commission. He has been consistently friendly to British interests, and made many friendly promises to His Majesty's Chargé d'Affaires before his departure.

The Shah's birthday was celebrated on the 16th August. The Valiahd received the Diplomatic Body in the afternoon, and the Mushir-ed-Dowleh entertained the whole official world of Tehran in the evening at dinner, followed by a display of fireworks.

A diplomatic incident occurred on the return journey: the Russian Minister, who was in a very bad temper throughout the ceremony, while driving home, ordered his carriage to pass that of the Belgian Minister, M. Stevens, who was just in front of him, and, as the latter objected, the Russian Legation Cossacks charged the Belgian gholams, one of whom was injured, whilst the Belgian Minister's carriage was damaged, and M. de Speyer's carriage forced its way past. Next day the Belgian Minister demanded satisfaction, and said that, unless M. de Speyer paid him an official visit of apology, he would oblige him to fight a duel with him. The incident was arranged by the good offices of the German Minister, and on the 19th ultimo M. de Speyer paid an official visit to the Belgian Legation and tendered his excuses, which were accepted.

No. 128.

Sir C. Hardinge to the Marquess of Lansdowne.—(Received September 30.)

(No. 573. Confidential.)

My Lord,

St. Petersburg, September 26, 1905.

I CALLED this afternoon upon M. Hartwig, Director of the First Department of the Ministry for Foreign Affairs, and he informed me confidentially that, in accordance with the Agreement with His Majesty's Government, M. Klemm had been appointed Consul-General at Meshed, and that he would leave Bombay during the month of November, a few weeks having been allowed him to settle his private affairs in India. His successor has not yet been designated.

While thanking M. Hartwig for this communication, I expressed my satisfaction that we had thus succeeded in settling a question which had been pending for the last six years, and I impressed upon him the necessity of paying special attention to the selection of a successor to M. Klemm, who should be of a conciliatory character and a thorough gentleman, so that an end might once for all be put to the era of suspicion and distrust which had surrounded the Russian Consulate at Bombay from the very moment of its establishment.

M. Hartwig replied that he was fully alive to the importance of a good selection. He added that the settlement of this long-pending question gave him great satisfaction, as being of happy augury for the removal in the near future of other sources of suspicion and distrust between our two countries. The loyal co-operation of His Majesty's

Government in Macedonia and Crete, especially in the latter island, proved conclusively that there need be no cause for conflict between Great Britain and Russia in the Near East, and that Russia would be left a free hand for the impending struggle with Germany on the shores of the Bosphorus. The questions pending in Asia could, with a little moderation on both sides, be easily settled, and, although Count Benckendorff repeatedly wrote that the idea of a Russian invasion of India was deeply ingrained in the minds of Englishmen, he could assure me that such ambitions were only to be found in the most shallow brains of the military classes, and that there was at this moment in the Ministry for Foreign Affairs a document, prepared by General Kuropatkin in 1899, in which it was stated that the actual frontier of Russia and Afghanistan was ideal, and should under no circumstances be modified. As for Persia, where Russia had important interests, there should be no difficulty in arriving at a satisfactory settlement, and the Persians should be prevented at all costs from playing off England against Russia and vice versa.

I remarked to M. Hartwig that I entirely shared his views as to the feasibility of settling satisfactorily all questions that might be pending in Asia between the two Governments, but I fully realized the importance which the Russian Government attached to the maintenance of good relations with her Western neighbour, and I had some doubts as to whether an Anglo-Russian agreement would not provoke a serious outburst of ill-humour at Berlin, which might prejudice the good relations so happily existing between Germany and Russia.

To this M. Hartwig replied with some warmth that, although the Russian Government naturally attached importance to the maintenance of friendly relations with their neighbours, the policy of the German Emperor was appreciated at the Ministry for Foreign Affairs at its proper value, and was dictated solely by self-interest. The latest attempt had been to insinuate every sort of danger to be apprehended from the new Anglo-Japanese Treaty, and that it constituted a menace to German interests in China. Nevertheless, it was not for the German Government to interfere in questions pending between the British and Russian Governments in Asia, in which they could have no interest nor concern. He alluded bitterly to the duplicity of the German Government in having declared at the time of the South African war that they were in possession of a document from the Russian Government proposing intervention, while in reality it was a document which he himself had drafted, and which Count Osten-Sacken had delivered, stating that Russia had no interests in South Africa, and that if the German Government were of opinion that intervention was necessary at that stage of the war, they themselves should take the first step.

M. Hartwig continued that in any case, and even before a general settlement could be made, there were many points of friction between the Agents of the two Governments which, with a little goodwill on each side, might be removed.

For instance, in the reports received from M. Kolokoloff, Russian Consul-General at Kashgar, there were continual complaints of the unfriendly activity of Mr. Macartney, the British Consul, and it was evident that the Chinese, with their customary skill, were playing off one official against the other. The evil results of this state of affairs were that fantastic reports were spread on each side of military activity, and the military officers with the Russian outposts in the Pamirs were in a perpetual fever of excitement. He had already on more than one occasion written to M. Kolokoloff and urged him to maintain friendly relations with his British colleague, and not to allow himself to be the dupe of Chinese intrigues.

I expressed my approval of the advice given to the Russian Consul-General, but I thought that the reported activity of Mr. Macartney must be exaggerated, as he had occupied his present position for several years, and I believed that he had always been on friendly terms with M. Petrowsky, the predecessor of the present Consul-General.

M. Hartwig further drew my attention to an unfriendly article which had appeared in the "Novoe Vremya" a few days ago, relating to the recent British frontier Award in Seistan, and stated that certain circles, including some officials of the Ministry of War, were much perturbed at the reports which had been spread, that it was now within the power of the British Government to reduce the Province of Seistan to an arid desert.

The Russian Consul in Seistan, who was now on leave, had called on him yesterday, and in reply to his inquiry about the frontier Award, had stated that the delimitation could not have been carried out with greater justice, but that the Persians complained that the Award regulating the distribution of the waters of the Helmund was not fair,

since the fertility of the Province of Seistan depended on the caprice of one British engineer whose decision was to be final. Such an arrangement would be sure to cause endless trouble.

Another drawback was to be found in the fact that the map showing the delimitation of the Perso-Afghan frontier had only been executed in duplicate, of which one copy had been carried off by Colonel MacMahon, and the other had been confided to the Kharguzar of Seistan under a promise to keep it secret. He did not understand the motives for such mystery, but if the map had been published, the Russian Government would have been happy to deny the unfairness of the delimitation, and to tell the Persians that they would have to adhere to it.

I told M. Hartwig that Colonel MacMahon had anticipated that his frontier Award would be accepted with more difficulty by the Afghans than by the Persians, and that if the latter now complain of their treatment, it is an additional testimony of the fairness of the Award. As regards the objections raised to the water Award, I asked M. Hartwig what remedy he would propose.

He at once replied that it was a matter which should be intrusted to a Joint Commission to regulate, and that it should not be dependent on a single individual, who would be exposed to influences of different kinds.

I did not pursue this question further, but I strongly suspect that M. Hartwig's idea was that the Russian Consul should be a member of the Joint Commission which he recommended.

My interview ended with a renewed assurance from M. Hartwig of his desire to remove all petty cases of friction by friendly co-operation, with a view to preparing for an arrangement on broader lines between the two Governments.

I have thought it worth while to report at some length M. Hartwig's conversation with me, as he plays a considerable rôle at the Ministry for Foreign Affairs in all Asiatic questions, is the right hand of Count Lamsdorff, and enjoys his complete confidence, but not entirely mine.

I have, &c.

(Signed) CHARLES HARDINGE.

P.S.—Since writing the above I have read Sir Arthur Hardinge's despatches, which have reached me under flying seal, from which it is evident that the refusal of the Persian Government to accept Colonel MacMahon's water Award was due to the intrigues of the Russian Legation, of which M. Hartwig must have been perfectly aware in our interview, and it is probable that the Shah received encouragement in this course during His Majesty's visit to St. Petersburg, when I forwarded, by Sir A. Hardinge's request, a sealed letter addressed by him to the Ain-ed-Dowleh, of which I did not know the contents, but which I now see contained an appeal to his Highness to accept the Award, and which may not improbably have been a subject of discussion at Peterhof.

C. H.

September 27, 1905.